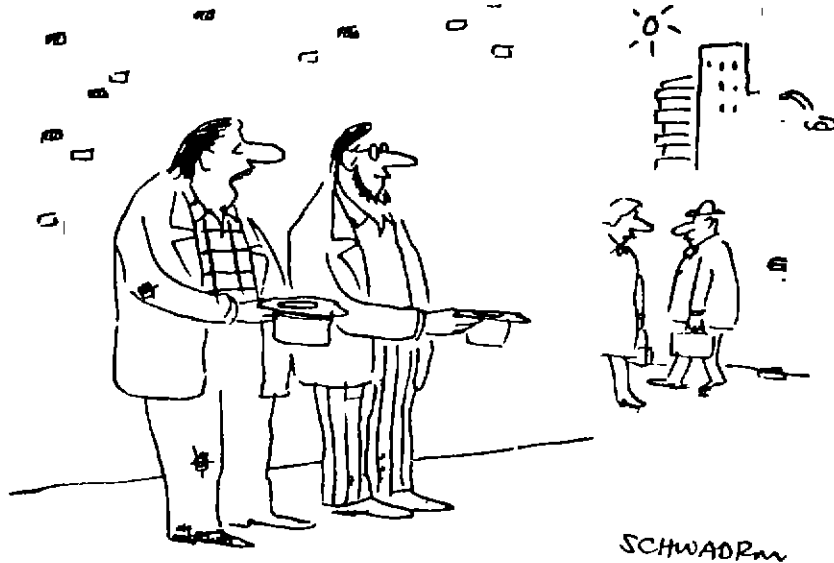


PROTECTING THE INTEGRITY OF CALIFORNIA DEGREES



"No kidding? Are you really getting college credit for this?"

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION



Summary

California's law regulating privately supported postsecondary education -- the Private Postsecondary Education Act of 1977 -- will sunset on January 1, 1992, unless the Legislature extends or repeals its termination date. In anticipation of that decision, the Legislature directed the Commission to report by September 1, 1989, on the effectiveness of certain portions of the law in "protecting the integrity of degrees and diplomas issued by private postsecondary educational institutions" as well as on the implementation of the law by the California State Department of Education.

In this report, the Commission responds to the Legislature's request. Part One of the report briefly describes the scope of California's private postsecondary education enterprise and offers 21 findings about its regulation by the State. Part Two traces the origins and development of today's law, Part Three assesses the effectiveness of the law in achieving its goals, Part Four evaluates the adequacy of its implementation by the Department of Education, and Part Five summarizes the problems that stem from the law's defects and its inadequate implementation.

Eight years ago, in the Commission's five-year plan for California postsecondary education from 1982 to 1987, the Commission identified as one of its nine priorities for action the protection of the integrity of California's degrees and other credentials. Over that half-decade, California has made more progress in assuring a basic level of consumer protection regarding its degrees than in the previous 20. Yet this report concludes that still more progress is needed, both in strengthening the law itself and its implementation, in order to bring California to the minimum level of consumer protection offered by other major industrial states of the nation. Otherwise "California will retain its reputation throughout the country and the world for tolerating questionable credits and discount diplomas, and it will continue to be unable to ensure the integrity of its degrees and the protection of its citizens who depend on that integrity" (p. 60).

The Commission adopted this document, along with a related report, *Recommendations for Revising the Private Postsecondary Education Act of 1977*, at its meeting on April 17, 1989. Additional copies of both reports may be obtained from the Library of the Commission at (916) 322-8031. Questions about the substance of this report may be directed to JB Hefferlin of the Commission staff at (916) 322-8021.

Cover drawing courtesy Harley L. Schwadron
of Ann Arbor, Michigan, and *Phi Delta Kappan*

PROTECTING THE INTEGRITY OF CALIFORNIA DEGREES

*The Role of California's Private
Postsecondary Education Act of 1977
in Educational Quality Control*

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
Third Floor • 1020 Twelfth Street • Sacramento, California 95814-3985





COMMISSION REPORT 89-17
PUBLISHED APRIL 1989

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THE California Legislature has charged the California Postsecondary Education Commission to review the Private Postsecondary Education Act of 1977 -- the State's primary law regulating all privately supported education beyond the high school, which is reproduced on pages 61-88 below. The Commission is to report to the Legislature by next September on two topics: (1) the implementation of the law by the State Department of Education, and (2) the effectiveness of three sections of the law "in protecting the integrity of degrees and diplomas issued by private postsecondary educational institutions" (Education Code Section 94345).

This document responds to the Legislature's charge. After tracing the origins of today's law in Part Two, it assesses the effectiveness of the law in Part Three and then discusses its implementation by the Department of Education in Part Four. As an introduction, this first section presents an overview of privately supported postsecondary education in California and summarizes the Commission's findings about the impact and operation of the law.

Scope of the private postsecondary enterprise

Postsecondary education in California consists of a wide variety of institutions -- public and private, degree granting and non-degree granting -- as Display 1 on page 2 shows.

The public sector consists of some 536 institutions and campuses of multi-campus systems -- California's State-supported community colleges and universities as well as 330 adult schools and 70 regional occupational centers.

Its privately supported sector consists of a far larger and more complex assortment of institutions, including State authorized, State-approved, accredited, and religiously exempt. Its over 450 degree-granting institutions are grouped into these major categories under the 1977 act:

- *State authorized* California uses the term *authorization* to refer to its minimum license for private postsecondary institutions. Unless a degree-granting institution is exempted from the provisions of the law for religious reasons, it must obtain authorization from the Superintendent of Public Instruction to operate and grant degrees. The Superintendent grants authorization for up to five years to colleges and universities on the basis of a comprehensive on-site review, or for up to three years to schools of theology on the basis of the accuracy of their documents and \$50,000 of net education assets. Some institutions prefer to remain authorized rather than move to State-approved status or seek accreditation, and according to the Private Postsecondary Education Division in the State Department of Education, 78 of them were authorized as colleges or universities and 12 were authorized as schools of theology as of November 1988.
- *State approved* Authorized institutions may decide to earn *State approval* if they wish, but they are not required to do so. State-approved institutions have had all of their degree programs approved by the Superintendent on the basis of an institutional self-study and a comprehensive on-site evaluation of the quality of these programs. Historically, approval has been considered as the State's highest level of review. Moreover, only State-approved institutions are eligible to be accredited by the region's recognized accrediting agency -- the Western Association of Schools and Colleges. Currently 70 are approved by the Superintendent, who grants approval for periods of up to three years.
- *Accredited* The State permits California-based accredited institutions to award degrees based on an annual affidavit of their accreditation by the Committee of Bar Examiners for the State of California or an accrediting agency recognized by the United States Secretary of Education. Currently 197 are operating under this section of the Education Code.

DISPLAY 1 *The Scope of California Postsecondary Education as of November 1988*

Publicly Supported	Privately Supported
<i>Degree Granting</i>	<i>Degree Granting</i>
University of California (9 campuses)	197 accredited California-based colleges and universities
The California State University (19 campuses)	12 branches of accredited out-of-state colleges and universities
106 Community Colleges	70 State approved institutions
California Maritime Academy	78 State authorized colleges and universities
Hastings College of the Law	12 State-authorized schools of theology
	Approximately 87 institutions operating with religious exemptions
	Unknown number of institutions operating without exemptions
<i>Non-Degree Granting</i>	<i>Non-Degree Granting</i>
330 Adult Schools	316 accredited schools, institutes, and other institutions
70 Regional Occupational Centers	1,762 approved non-degree granting institutions
	391 licensed schools and hospitals

Sources California Postsecondary Education Commission and Private Postsecondary Education Division, November 1988b

- *Accredited out-of-state* The State allows branches of out-of-state accredited institutions to operate in California by licensing them. Currently a dozen are operating here, although some are not licensed as accredited out-of-state but as authorized.
- *Religiously exempt* The State exempts programs of nonprofit religious institutions from the provisions of the law if they are restricted solely to the principles of a church or denomination, but it does not recognize, license, or approve them or their degrees. The Superintendent has exempted some 87 in recent years, but an unknown number operate without having applied for exemption.

Beyond these privately supported degree-granting institutions, nearly 2,500 others prepare students in specific skills or for specific careers but offer diplomas or certificates of attainment rather than academic degrees. The most numerous of these career-

related are those that offer flight training, business training, preparation for real estate salesperson licenses, and cosmetology. They may be categorized as follows:

- *Accredited* Currently 316 offer programs accredited by one or another nationally recognized accrediting agency, based on submitting an annual affidavit of their accreditation.
- *State-approved* Some 1,762 are approved by the Superintendent for one-year periods as meeting nine specific criteria of quality.
- *State-authorized* Three-hundred and ninety-one are licensed by state boards or agencies or the Federal Aviation Administration -- 18 of them hospitals that offer non-degree programs in the health sciences.

Size and role of private education

Although California's privately supported institutions outnumber its State-supported ones by a ratio of over five to one -- nearly 3,000 compared to 536, the public sector enrolls more students. Its degree-granting institutions enroll over 1.5 million alone, a million of them in community colleges. Data on the number of students in privately supported institutions is scattered and incomplete, since California requires only its public institutions to supply these facts annually. Thus State policymakers have little reliable information on which to base their decisions affecting the private sector. But the Private Postsecondary Education Division of the Department of Education estimates that nearly a million students attend non-degree granting private schools -- with H & R Block and Century 21 enrolling hundreds of thousands of them. From data available to the Commission and reproduced in Appendix C to this report, the Commission estimates that a considerably smaller number attend degree-granting institutions and that, of these, more attend accredited than non-accredited institutions.

Despite their average small size, private institutions play an important role in California education. Perhaps most important is their innovative function. They enter new fields, pioneer new programs, and offer new forms of education that are only later adopted by public institutions. California at large, as well as California education, is stronger because of them.

Through the Private Postsecondary Education Act of 1977, California seeks to promote privately supported education beyond the high school. It aims to encourage recognition of the degrees and diplomas issued by private institutions, and it tries to protect the integrity of these credentials. Based on the Commission's analysis of the law and its implementation, the Commission has come to the following 21 conclusions about its effectiveness.

Importance of the law

1 The intent of the Private Postsecondary Education Act is sound. California benefits from non-public higher education, and it should continue to encourage privately supported institutions and the

acceptance of their degrees by public institutions as well as help protect the integrity of these degrees.

2 California has an interest in ensuring the meaning of all educational certificates, diplomas, and degrees, since its citizens, corporations, and agencies increasingly use these credentials for making major personal and occupational decisions. Rather than confusing or weakening the meaning of degrees and contributing to public cynicism and distrust of them, the State wisely seeks to ensure their meaning and their proper use.

3 California's changing demographics are increasing its need for consumer protection regarding academic degrees. While some native-born Californians are likely to buy degrees that prove worthless in their careers, many of California's growing number of immigrants may be vulnerable to doing so because they are less knowledgeable about differences in the utility of various degrees.

Adequacy of the law

4 Under the 1977 act, privately supported postsecondary education has flourished. California has the widest array of excellent private institutions of any state in the nation, including many good non-accredited ones. But others are inadequate, and they have worldwide repercussions in throwing suspicion on the reputation of the rest.

5 The Private Postsecondary Education Act regulates both non-degree granting and degree-granting institutions, and California needs to ensure better regulation of both types of institution.

6 Over the past five years, through amendments to the act, California has made more progress in ensuring a basic level of consumer protection regarding diplomas and degrees than in the previous 20. Still more progress is needed, however, to bring California to the minimum level of protection offered by other major industrial states of the nation.

7 The law has not succeeded in protecting the integrity of degrees, integrating non-accredited private higher education into the mainstream of California higher education, ensuring respect and credi-

bility for the entire private sector or achieving recognition of degrees from non-accredited institutions

8 The law's sections that regulate private degree-granting education have several strengths -- in particular, its new standards for all State-authorized colleges and universities, including the requirement that they offer instruction, and its expectation that the California operations of all out-of-state accredited institutions meet commonly accepted standards of quality

9 The greatest weakness of the law in ensuring the meaning of California degrees is its exemption of presumably religious institutions from its requirements and standards, which allows any seemingly ecclesiastical organization to grant degrees for years until it is finally prohibited from doing so by the Attorney General

10 A second failure is the law's specification that the curriculum of State-approved institutions is consistent in quality with those of accredited institutions and that the academic achievement of their graduates are also comparable, leading to confusion about the integrity of the degrees of both accredited and approved institutions

11 A third weakness is its two categories of "authorization" with widely different standards for colleges and universities on the one hand and schools of theology on the other

12 The other major problem of the law is its enforcement sections, which lack adequate first-offence penalties, sufficient "padlock" provisions to halt the operation of substandard authorized institutions, continuing jurisdiction of proprietors, and statutory language governing *nolo contendere* convictions of proprietors or agents

Adequacy of implementation

13 More problems in ensuring the integrity of degrees and diplomas stem from inadequate implementation of the law than from inadequacies of the law itself. If California simply required institutions

to meet its existing law, it would enhance respect for these credentials significantly

14 California may expect too much leadership in this area from its Superintendents of Public Instruction, who are charged with implementation. Neither of the State's recent Superintendents have succeeded in obtaining adequate funds for implementing the law

15 The Council for Private Postsecondary Educational Institutions, which exists to advise the Superintendent regarding the law, has taken the lead in strengthening the State's minimum standards for degree-granting institutions but until last year hindered implementation of the law by its veto of proposed increases in institutional fees

16 The Division of Private Postsecondary Education in the Department of Education is unable to ensure the integrity of degrees and diplomas because its first obligation is to fulfill its Veterans Administration contract as California's "state approval agency" for courses taken by veterans, military personnel, and their dependents

17 The Division is unable to regulate adequately the number of institutions it oversees and exempts because of funding limits imposed by the Department of Finance, the Legislature, and -- until last year -- the Council for Private Postsecondary Educational Institutions

18 The Division has been ineffective in enforcing the standards of the law because of the failure of some staff members to require approved and authorized institutions to meet these standards, including (1) adequate achievement of the graduates of approved institutions and (2) systematic, rigorous evaluations for awarding credit by authorized institutions

19 California's dependence on institutional fees to cover the costs of regulation causes Division staff to place their advisory and consultative roles to institutions ahead of their regulatory duties, thereby seriously weakening enforcement of the law

20 The Division's past operating practices may prevent the Office of the Attorney General from arguing

successfully cases that stem from the Division's denial of reauthorization or reapproval

Summary

21 In 1976, the Commission recommended that the Legislature undertake a complete revision of the existing statute regulating private postsecondary education in order to "promote the integration of private institutions (particularly vocational/technical

schools) into California's postsecondary education system, provide an appropriate regulatory agency that is responsive to the needs of both the producer and consumer of private education, and foster and improve the educational programs and services of private institutions while protecting the citizens of California from fraudulent or substandard operations" (p 118) The Private Postsecondary Education Act of 1977 was the result Despite improvements both in the law and its implementation since then, these goals of the Commission continue to elude attainment

Chap. 117.

AN ACT to provide for the Incorporation of Colleges

Passed April 20, 1850.

The People of the State of California, represented in Senate and Assembly, do enact as follows

- | | |
|--|---|
| <p>§ 1 Any College may be incorporated in this State, according to the provisions of this Act, by the Supreme Court of the State, upon application</p> | <p>Supreme court may incorporate colleges</p> |
| <p>§ 2 The founders or contributors of any proposed College within this State shall make to the Supreme Court application in writing, under their hands, requesting that ——— College may be incorporated, specifying the first trustees, and the name by which the corporation is to be called</p> | <p>Application for incorporation of colleges</p> |
| <p>§ 3 In case the Court shall be satisfied that the proposed College has an endowment of twenty thousand dollars, and that the proposed trustees are capable men, then the Court shall, by an instrument under its seal, declare the College incorporated, under the provisions of this Act, by the name specified in the application, and the application, together with the declaration of the Court, shall be recorded in the office of the Secretary of State.</p> | <p>Court may declare college incorporated</p> |
| <p>§ 4 Immediately after recording the same, the property and funds of such College shall be vested in the trustees so nominated, for the use and benefit of the College.</p> | <p>Application and declaration to be recorded</p> |
| <p>§ 5. The trustees of every such College shall not be more than twenty-four, nor less than twelve in number; and seven trustees of any college shall constitute a quorum for the transaction of business.</p> | <p>Property of college to vest in trustees.</p> |
| <p>§ 6. The trustees of every such College shall be a corporation, known by the name and style of the President and Board of Trustees of ——— College, and by that name they and their successors shall be known in law, have perpetual succession, sue, and be sued, in all Courts and in all actions whatsoever.</p> | <p>Number of trustees. Quorum</p> |
| <p>§ 7 The trustees shall have power, 1 To elect by ballot, annually, one of their number as President of the Board 2 Upon the death, removal out of the State, or other vacancy in the office of any trustee, to elect another in his place 3 To elect additional trustees, provided the whole number elected shall never exceed twenty-four at any one time. 4 To declare vacant the seat of any trustee who shall absent himself from eight succeeding meetings of the Board 5 To receive and hold, by purchase, gift, or grant, any real or personal property, Provided, that the yearly income of the College shall not exceed its necessary yearly expenses ten thousand dollars, 6 To sell, mortgage, lease, and otherwise use and dispose of such property, in such manner as they shall deem most conducive to the prosperity of the College. 7 To direct and prescribe the course of study and discipline to be observed in the College: 8 To appoint a President of the College, who shall hold his office during good behavior 9 To appoint such Professors, Tutors, and other officers as they shall deem necessary, who, unless employed under a special contract, shall hold their offices during the pleasure of the trustees 10 To remove from office the President, and every Professor, Tutor, or other officer employed, upon a complaint in writing, by any member of the Board of Trustees, stating the misbehavior in office, incapacity, immoral conduct of the person or persons sought to be removed, and upon due examination and proof of such complaint 11 To grant such literary honors as are usually granted by any University, College, or Seminary of learning in the United States, and in testimony thereof, to give suitable diplomas under their seal, and the signature of such officers of the College as they shall deem expedient: 12. To fix the salaries of the President, Professors, and other officers of the college 13 To make all by-laws and ordinances necessary and proper to carry into effect the preceding powers, and necessary to advance the interests of the College; Provided, that no by-laws or ordinance shall conflict with the Constitution or laws of the United States or of this State.</p> | <p>Style of incorporation</p> |
| <p>§ 8. Every diploma granted by such trustees shall entitle the possessor to all the immunities which, by usage or statute, are allowed to possessors of similar diplomas, granted by any University, College, or Seminary of learning in the United States</p> | <p>Powers of trustees.</p> |
| | <p>Effect of diploma.</p> |

CALIFORNIA'S Constitution instructs the Legislature to "encourage by all suitable means the promotion of intellectual, scientific, moral, and agricultural improvement." The "suitable means" employed by the Legislature to implement this goal include establishing public institutions and licensing private institutions. Thus one of the Legislature's first major acts in the State's first year of statehood -- 1850 -- was to provide for the establishing of collegiate institutions. The "Act of 1850," reproduced on the opposite page, required that

- 1 An application be made to the State Supreme Court for incorporation as a college,
- 2 The corporation have "an endowment of twenty thousand dollars", and
- 3 The proposed trustees be capable men

Under this act, which also specified the powers appropriate to a college board, the first of California's excellent higher education institutions were created -- beginning with the University of the Pacific and Santa Clara University the very next year.

The act's two requirements of incorporation as a college and an endowment of \$20,000 may seem to be somewhat minimal requirements -- but they have long since gone by the board. Today's law regulating the integrity of California's degrees is in some ways stronger than that of 1850 -- but in other ways is weaker.

- It is stronger in that it requires periodic review and relicensure of degree-granting institutions.
- But it is weaker in that it no longer requires incorporation; it allows some institutions to operate with less than \$1,000 in 1850 dollars, and it permits allegedly religious institutions to grant degrees simply on their claim of exemption from the law.

The following pages trace these changes, which took place primarily in 1927, 1958, and 1977, in order to show the origins of today's law.

Amendments of 1927

The 1927 Amendments reinforced the 1850 requirement that collegiate institutions had to be incorporated by clearly prohibiting individuals from granting degrees by themselves. "No person, firm, association or corporation, other than a corporation incorporated under the provisions of this title, shall have the power to confer academic or professional degrees" (California Civil Code, Section 651a, 1927). This requirement remained in effect for another 30 years, until the Legislature abandoned it in 1958.

The modest financial requirement of \$20,000 endowment in the Act of 1850 was deleted from the law by the Amendments of 1885 but then reinstated in 1927 in the form of a requirement of \$50,000 in "real and personal property" used exclusively for the purposes of education. Until the 1980s, the State continued to use this requirement as the sole financial criterion for State authorization, making California's licensing laws the subject of ridicule throughout the country. By 1980, inflation had reduced the value of the amount to less than \$12,000 in 1927 dollars, but this minimal financial requirement survives as one of two conditions expected of institutions awarding degrees in theology and religion.

The 1927 amendments added three other provisions to the law.

- 1 A restriction against distributing the profits of degree-granting profit-making educational corporations except upon dissolution of the corporation,
- 2 A requirement that all degree-granting institutions submit an annual report to the Superintendent of Public Instruction "containing the number of students of the corporation, together with the names and addresses of the students, the courses of study offered by the corporation, the names and addresses of the teachers employed by the corporation, the subjects taught by them, the degrees, diplomas, or certificates, if

any, granted by the corporation, and to whom granted, the curricula upon which the degrees, diplomas, or certificates were granted, and any other information concerning the educational work or activities of the corporation that may be required by the Superintendent " (Section 24213, 1943 *Education Code*)

- 3 A misdemeanor penalty for violating this section of the Code, with the Attorney General enjoined to take steps to dissolve the non-complying corporation, restrain fraudulent practices, and punish any person guilty of fraudulent practices

For the next several decades, no major changes occurred in the law, and California continued to operate on the expectation that educational institutions would adequately regulate themselves. But World War II brought significant alterations, and the regulatory needs of the federal government began to affect State policy.

At the end of the war, the federal government needed some way to see that educational institutions were offering courses to veterans worthy of Veterans Administration reimbursement. Under the Veterans' Readjustment Act of 1944, governors of the states had a choice of either assigning this oversight task to a state agency or allowing the Veterans' Administration to inspect the institutions itself. California's Governor Earl Warren assigned this inspection task to two agencies -- the Department of Industrial Relations, which created the Apprenticeship Standards Division to approve on-the-job training and apprenticeships, and the Department of Education, which created the Division of Readjustment Education to approve school courses. That Division became California's regulator of the degrees of private colleges and universities. (Its name was changed in 1958 to "Bureau of Readjustment Education," in 1969 to "Bureau of School Approvals," in the mid-1970s, to "Office of Private Postsecondary Education," and in 1985 to the current "Private Postsecondary Education Division.")

State approval agencies like the Apprenticeship Standards Division and the Private Postsecondary Education Division have become responsible for monitoring and approving training programs not only for veterans, but also, under more recent federal legislation, their dependents, active duty service personnel, and reservists. They seek to act on

behalf of both state and federal governments as "the major deterrent to unscrupulous individuals and institutions who desire to exploit the student for financial gain rather than assisting them to acquire the promised education assistance" (Dickinson, 1987, p. 4).

Between 1944 and 1949, the number of proprietary or profit-making trade schools jumped from some 1,900 to 5,600 nationally. Poor quality educational programs were reported among some of them, and because of obvious exploitation by at least a few of them, Congress passed increasingly detailed legislation in 1946, 1947, 1950, and two years later through the second "GI Bill" -- the Veterans Readjustment Assistance Act of 1952 -- at the time of the Korean War. That act directed the United States Commissioner of Education to publish "a list of nationally recognized accrediting agencies and associations which he determines to be reliable authorities of the quality of training offered by an educational institution" (Section 1775, PL 82-550), and it added accreditation by such agencies as a way besides state approval for institutions to obtain federal support. It set the pattern for the federal government's continuing reliance on accreditation as an indicator of educational quality, and it had major impact on subsequent state laws, including California's Amendments of 1958.

Amendments of 1958

For California, 1958 was the turning point in State laws affecting private postsecondary education. The Amendments of that year were strongly supported, if not actually sponsored, by the State's private institutions. They brought together statutory language from federal legislation -- the State's Health and Safety Code, its Business and Professions Code, and its Government Code -- into a comprehensive statement of policy regarding State oversight of private postsecondary education.

Under the 1958 Amendments, which were codified as Division 21 of the Education Code as then organized, Section 24206 identified or created six categories of State licensure of institutions:

- a A corporation which has filed an affidavit stating that it owns an interest in real or

personal property used exclusively for educational purposes, of a value of not less than \$50,000

b A hospital licensed under the Health and Safety Code

c A person, firm, partnership or corporation which is approved by a licensing board under the Department of Professional and Vocational Standards

d Any educational institution accredited by the State Board of Education for offering training for teacher credentialing purposes

e Any institution approved by the Bureau of Readjustment Education of the Department of Education

f A person, firm, association, partnership or corporation authorized by the Superintendent of Public Instruction to issue specified diplomas

All of these institutions could issue diplomas and degrees if they could demonstrate

that the courses of instruction, and the faculty or requirements of such applicants will afford students or require of students a course of education comparable to that being furnished by persons, firms, associations, partnerships and corporations offering similar instruction and complying with other subdivisions hereof

The law specified that for the purpose of that particular subdivision, "the Superintendent of Public Instruction may rely on the findings of an accrediting agency generally accepted by the class of institution concerned" and could consider the results of State examinations taken by students of these institutions

Among the significant changes in the statute were these new or expanded policies

- 1 The term *diploma* was defined to include all types of credentials, including academic degrees as well as vocational certificates
- 2 Proprietary institutions were included in the Education Code for the first time -- having previously been included in the Business and Professions Code because of their profit-making nature -- and they were allowed to grant degrees

Their inclusion blurred the former distinction between vocational schools and degree-granting institutions. Because it was politically infeasible to require all proprietary schools to adopt a corporate structure, the Legislature dropped the 1850 requirement that degree-granting institutions be incorporated. This made it feasible for a single individual, without incorporating, to operate a profit-making "university" under Section 24206 (f) of the Code.

- 3 The Superintendent of Public Instruction was not only allowed to rely on accreditation but was empowered to "make such investigations as are necessary to determine whether or not there has been compliance." Prior to this, California law made no references to qualitative standards -- unless its 1850 requirements that an institution's board members be "capable men" and that it have \$20,000 in endowment could be considered indicators of institutional quality.
- 4 The State's adjudicatory hearing process was made "applicable to any determination of the superintendent pursuant to this subdivision."
- 5 The misdemeanor penalty of 1927 was upgraded to a felony.
- 6 All institutions were required to maintain their records for three years -- until then a requirement only of those seeking approval for veterans' educational support.
- 7 Finally, the Legislature added intent language to the end of Section 24220 expressing support for fostering private education and protecting the integrity of degrees.

At the time of the 1958 Amendments, the State was beginning to plan for rapid expansion of college enrollments. Two years later, the Master Plan Committee would project a nearly 300 percent increase in these enrollments between 1960 and 1975 -- a projection that seriously underestimated enrollments in 1975, even without taking into account the proprietary sector. It was this environment that produced the statement of legislative intent, which continues in the Education Code to this day except for the two italicized words referring to youth.

In the present period the need for educational services *for youth* is so great that it cannot be met by tax-supported institutions alone. The

contribution of privately supported educational institutions to the preservation of our liberties is essential. These can best be served by protecting the integrity of diplomas issued by such institutions.

As an expression of State concern for the oversight of private postsecondary education, the 1958 act was a curious piece of legislation.

- It was clearly inclusionary, in that every effort was made to include every category of licensure (including "State accreditation") in the six categories of institutional qualification. One result was that the terms *authorization*, *approval*, and *accreditation* were all used without either an explicit or implied hierarchical structure.
- It reflected an effort to strengthen the compliance authority of the Superintendent by providing a basis for prosecuting the fraudulent issuance of diplomas, but at the same time it did little to ensure their integrity. It sought to eliminate the sale and misuse of college degrees, but it did not provide the means for carrying out that intent.
- It omitted not only the 1850 requirement that degree-granting institutions be incorporated and thus have corporate governing boards but also the 1927 restriction against distributing profits of profit-making degree-granting corporations except upon their dissolution and the 1927 requirement that degree-granting institutions submit annual statistical reports to the Superintendent.
- It required on-site reviews to examine the records or any other aspect of institutional operations only of accredited institutions and those approved for veterans' benefits. Not until 20 years later did the Private Postsecondary Education Act of 1977 make such visits mandatory for all authorized institutions.
- It permitted institutions to operate under Section 24206(a) even if their \$50,000 in personal assets were maintained out-of-state (34 Ops. Att. Gen. 98).
- Finally, by bringing together in Division 21 of the Education Code a number of licensing procedures that had existed in a variety of codes, it did more to confuse State licensure responsibilities

than to improve them. Each of the six licensing categories was very different and had been developed by different agencies for very different purposes. By placing them in juxtaposition without any apparent sense of relationship or qualitative ranking, it gave them equal status under the law -- and the impression that no distinctions were useful between "state-accredited" teacher education institutions, institutions "state approved" for veterans' benefits, and institutions "state-authorized" by the Superintendent either on the basis of their accreditation or on the basis of having \$50,000 in net assets.

California was not out of line nationally with its 1958 Amendments. At the time, state regulation had relatively little influence on controlling the quality of private education except in a few regions. "It cannot be said that most states exercise even the minimum degree of control for the maintenance of educational quality among degree-granting institutions," Robert Reid concluded in his 1959 analysis for the American Council on Education. "State laws chartering institutions of higher education are not uniform and are actually quite lax in controlling educational malpractice" (1959, pp. 62, 8). A majority of the 50 states extended the privilege of degree-granting to institutions simply on incorporation, with filing fees as low as one dollar, and only a minority, including California, required incorporated institutions to be approved by a state agency such as their state department of education in order to grant degrees.

Changes in the 1960s and '70s

Throughout the 1960s and early '70s, California gradually amended its licensing statutes.

- In 1963, the Legislature added a number of prohibitions relating to false advertising in order to protect student consumers (Education Code Section 29008), it allowed institutions accredited by a recognized accrediting agency to maintain their licensed status merely by submitting an annual affidavit stating that they were accredited, and, in order to make California's law identical with federal law, it expanded Division 21 to include courses for adults related to education, vocational, and professional objectives -- thus mak-

ing all institutions meeting State requirements eligible for federal approval for veterans' training

- In 1969, the Legislature passed Senator Albert Rodda's Senate Bill 1244, which (1) directed the Board of School Approvals to publish an annual directory of licensed private schools, and (2) required authorized degree-granting institutions to file "full-disclosure" statements as well as have \$50,000 of assets
- In 1971, Senator Rodda and then Assemblyman Bill Greene sought through Senate Bill 1574 to establish an independent "Council on Private Postsecondary Educational Institutions" to administer Division 21, but the bill was vetoed by Governor Reagan. The following year through Assembly Bill 2265, Rodda and Greene got the Council established as an advisory body to the Superintendent, but with no administrative responsibility or direct staff support
- In 1974, three bills made minor changes in the law requiring permits of agents, regulating private school advertising in "help wanted" columns, and specifying the language of contracts between private institutions and their students. In addition, Senate Bill 355 (Biddle) directed the newly created California Postsecondary Education Commission to develop a complete listing of all institutions operating in the State, provide information about the numbers of students being served, the programs offered, the fees charged, and the rates of student attrition, and assess the operation and effectiveness of the Education Code sections relating to private postsecondary education in terms of protecting consumers and providing a strong private sector for California citizens

As the Postsecondary Education Commission began its study of the Education Code in response to that mandate, several related events impinged on it

- In 1973, the Education Commission of the States had drafted model state legislation for approving academic institutions. It recommended that every state (1) protect against "substandard, transient, unethical, deceptive, or fraudulent institutions," (2) prohibit the granting of "false or misleading educational credentials," and (3) restrict the use of the labels *college* and *university* by em-

powering a state agency to grant approval to institutions for no more than two years, issue cease and desist orders against detrimental practices, and, if necessary, revoke the authority of an institution to operate. This model legislation proposed that the state agency should be authorized to hear complaints against individuals for violating its regulations, award restitution where warranted, and seize and preserve students' academic records from any institution that closed or was forced to close

- Another series of scandals involving overpayments to veterans was arising from the Vietnam War, with overpayments increasing from some 3 percent of total benefits in 1972 to 16 percent in 1976, and with public institutions -- particularly two-year colleges -- involved along with private ones. A House Appropriations Committee reported that "the VA left it up to the veterans and the institutions to report changes and terminations, but it was not in the interests of either to do so" (Orlans and others, 1979, 29-30). The federal government led the way in requiring reform, and California grudgingly followed
- Issues of consumer protection as well as fiscal accountability and institutional quality came to the fore, propelled by federal concerns for the proper and productive use of public funds. The Federal Trade Commission held extensive hearings on private postsecondary institutions to determine the extent of student protection in terms of tuition refunds, and the federal Office of Education raised questions about the ability of accrediting agencies to serve the interests of students as well as institutions -- and whether other means were needed for student protection

The Commission drew on these developments in its 1976 report, *The Role of the State in Private Postsecondary Education: Recommendations for Change*. In that report, it examined three major issues: (1) the lack of consumer-protection provisions in State statutes, (2) the ineffective enforcement of compliance with these statutes, and (3) the problems inherent in the State's reliance on accreditation as a measure of institutional quality and probity. It studied tuition refund problems, abrupt school closures, and the lack of effective procedure for handling student complaints, and it concluded that

- California's laws relating to private postsecondary education were among the oldest in the nation and lacked a number of consumer protection provisions
- California was unique among the states in funding the operation of its State oversight agency solely through school licensure fees and federal Veterans Administration money
- Compared to the model legislation developed by the Education Commission of the States California lacked any comprehensive efforts to provide consumer protection, particularly in regard to schools that closed in mid-term, while students had already paid their tuition for the year, and in regard to inequitable refund policy among schools
- Loopholes existed in the "\$50,000" provision of Education Code Section 94210 that permitted unscrupulous school owners to operate California's "open door" concept of State oversight permitted educational innovation, but it was wide open for owners interested in making money rather than in providing quality education
- The Bureau of School Approvals in the Department of Education suffered major deficiencies in administering the law because of its limited budget and its secondary role within the Department of Education. It was not responsive to the needs of students or school administrators, and it lacked aggressive enforcement of existing regulations and centralized responsibility for the licensure and oversight of private institutions

As a result, the Commission recommended that the Legislature "undertake a complete revision of both Division 21 and the process by which it is implemented and administered" in order to "promote the integration of private institutions (particularly vocational/technical schools) into California's postsecondary education system, provide an appropriate regulatory agency that is responsive to the needs of both the producer and consumer of private education, and foster and improve the educational programs and services of private institutions while protecting the citizens of California from fraudulent or substandard operations" (p. 118)

The five specific revisions in Division 21 that the Commission proposed are reproduced in Display 3 on the opposite page. They were cast into Assembly

Bill 911 of 1977 -- the "Private Postsecondary Education Act of 1977," which was authored by Assemblyman Dixon Arnett and supported by some of the major leaders of private postsecondary education

The 1977 Act and its amendments

Assembly Bill 911 continued from the 1958 Amendments the division between "accredited," "approved," and "authorized" institutions, but it increased standards of practice for authorized institutions, added a list of 14 categories of information to be included in institutions' affidavits of full disclosure, and required "verification visits" to ensure the accuracy of this information

- It also created a series of minimum advertising and consumer protection standards applicable to all private institutions, although it deemed accredited institutions to be in compliance with them
- It gave the Superintendent of Public Instruction more authority to refer complaints about accredited institutions to their accrediting agencies
- It increased the requirement for establishing an authorized institution, providing that the dedication of assets for an educational institution must be bound to the institution and its valuation must be independently verified (Brown, 1987, p. 345)

As introduced, AB 911 proposed moving the oversight responsibility for private postsecondary education from the Department of Education to an independent governing board that would have been equivalent in status to the Board of Governors of the California Community Colleges and adequately staffed to license and oversee private postsecondary institutions. Superintendent of Public Instruction Wilson Riles objected to this part of the bill, however, and to the Commission's report that proposed it. "The report's pervasive rationale for change is a series of assertions that the Department of Education is not adequately administering private postsecondary education. In this respect the report fails to meet the standards of objectivity and professionalism which the Legislature has come to expect from its advisory committees and commissions." He recommended "that the administration of this

DISPLAY 3 *Recommendations of the California Postsecondary Education Commission Regarding Oversight of Private Institutions, 1976*

- 1 The current responsibilities of the Bureau of School Approvals should be transferred to the Council for Private Postsecondary Educational Institutions. The Council should become an administrative agency directly responsible to the Legislature and the Governor. Members on the Council should be appointed by the Legislature and the Governor, with a predominance of public members over representations from the private institutions. The Council should be completely independent of the Department of Education. The Council should meet as often as it deems necessary to carry out its duties and responsibilities. The Council should appoint and may remove a director, and the director should appoint persons to such staff positions as the Council may authorize.
- 2 The activities of the agency responsible for administering Division 21 should be funded through the State's General Fund as well as through reimbursements from licensure fees.
- 3 The "A-3" provision for degree granting institutions should be revised so that (a) The "full disclosure" requirement is considered the major element in each institution's application for authorization to operate. This provision should be revised so that the State can verify the accuracy of the "full disclosure" statement prior to the opening of the institution, and every three years thereafter. (b) The loopholes in the \$50,000 requirement should be eliminated. An institution should be required to maintain \$50,000 in total net worth, to be used exclusively for legitimate educational purposes. Each institution should be required to file a financial statement certified by a Certified Public Accountant with the initial application, and every three years thereafter. This \$50,000 in assets should be maintained in California for as long as the school is licensed to operate in the State.
- 4 Several important consumer protection provisions should be added to the Education Code, including (a) the development of a statewide student tuition indemnification plan, (b) a tuition refund schedule directly proportionate to the amount of the course completed, until the student has completed 50 percent of the course, (c) a six-day cooling-off period following the initial visit to a campus by a student who has signed a contract and began tuition payments prior to visiting the campus, (d) a central agency for handling student complaint, (e) permanent maintenance of student records, and (f) complete disclosure of information to students by all private postsecondary institutions.
5. While the State may use accreditation as evidence of compliance with its minimum educational standards, the State should not abrogate its responsibility by using accreditation as a substitute for independent review and action. Accordingly, the Education Code should be revised to clearly indicate that, while the State may accept accreditation by a recognized national or regional agency as evidence of the institution's conformance to the minimum standards as set forth by the State agency, the use of this accredited status is permissive, not mandatory, and the State agency may require additional evidence or may undertake its own investigation if it so desires.

Division remain in the Department, as the most feasible and expeditious way of achieving necessary legislative, policy and administrative changes desired (1976, p 1)

The Assembly Ways and Means Committee agreed with Riles and deleted the proposed move. It substituted a sunset date for the law of June 30, 1982, and charged the Commission and the Legislative Budget Committee to undertake a review of its operation. Superintendent Riles promised to work with the Legislature and all other interested parties to develop legislation and prepare budget actions "to obtain general funding in support of Bureau activities" as well as "broaden the responsibilities, provide for broader public involvement, and improve the functioning of Council for Private Postsecondary Education Institutions" and "strengthen the activities and administration of the Bureau to the benefit of both consumers and the industry." But neither Superintendent Riles nor his successor has succeeded in obtaining the promised general funding for the Bureau's activities.

As required by the Legislature, in 1981 the Commission reviewed the effectiveness of the 1977 act. It concluded that the law was not yet strong enough to ensure that the Legislature's objectives of quality and integrity would be sought by all of the State's authorized institutions. "The integrity of academic degrees is being threatened by the educational program offered by some of the authorized institutions

which award degrees based either primarily or solely upon life experiences, with little or no instruction offered" (p 11). The Commission stated that "those institutions which award degrees without offering instruction are not functioning as educational institutions," and it proposed that instruction be required as a part of each degree program - thereby preventing institutions from granting degrees solely on life experience or credit for prior learning. It also suggested that all authorized institutions, within five years of gaining authorization, be required to apply for and gain status as State-approved institutions.

Opposition to this second recommendation led to compromise legislation (Senate Bill 612, 1981, Sieroty) that directed the Council for Private Postsecondary Educational Institutions to impanel a special committee to "develop explicit standards to be used in the review and authorization of private

postsecondary institutions." In November 1982, the special committee issued its report, in January 1983, the Commission endorsed its standards, and in 1984, Senator Watson's SB 2151 placed these standards in Education Code Section 94304.5 and moved the sunset date of the 1977 law to 1992, with the Commission to study its adequacy and its implementation.

That same year, Senator Carpenter's SB 1923 shifted State approval from "programmatic" to "institutional" by requiring that the total institution meet standards of approval rather than merely selected programs. It also added language from existing regulations regarding the comparability of accredited and State approved institutions.

In 1985, Senator Montoya's SB 1036 added new provisions for licensing out-of-state accredited institutions by December 31, 1987.

In 1986, Assemblyman Farr's Assembly Bill 4251 implemented recommendations stemming from Senator Montoya's SB 1036.

In 1988, Teresa Hughes' Assembly Concurrent Resolution 78 directed the Commission to study the operations and procedures of accrediting associations that accredit California's postsecondary institutions as well as the State's reliance on these associations. Her Assembly Bill 4378 extended authorization requirements to recruitment agencies and required authorized or approved institutions to cease recruitment activities if the Superintendent takes action to revoke or deny their authorization. Senator Morgan's SB 1884 gave the Superintendent the authority to revoke the license of an accredited institution if it did not comply with minimum State standards and if its accrediting agency did nothing about its non-compliance (Section 94312(l)). And Assemblyman Frizzelle's AB 3844 turned the licensure of driving schools that train truckdrivers from the Department of Motor Vehicles to the State Department of Education.

Origins of the present study

According to the Private Postsecondary Education Act, by September 1, 1989, the Postsecondary Education Commission must "review and evaluate" the implementation of the entire act by the Department

of Education as well as the effectiveness of the Act's approval and authorization provisions "in protecting the integrity of degrees and diplomas issued by private postsecondary educational institutions" (Education Code Section 94345). Unless the Legislature extends or repeals the sunset provisions of the act, the act will become inoperative on June 30, 1991 and will automatically be repealed on January 1, 1992.

During 1987, the Postsecondary Education Commission began work on its required study of the law. The year before, the Commission for the Review of the Master Plan for Higher Education had asked Jonathan Brown, vice president of the Association of Independent California Colleges and Universities, to prepare a paper on State licensure and accreditation. In that paper, he suggested that the Master Plan Review Commission consider recommending various amendments of the 1977 act to the Legislature or, as an alternative, recommend that the California Postsecondary Commission consider them in its review of the act. In its final report, *The Master Plan Renewed*, the Master Plan Review Commission adapted his second recommendation into these words (1987, pp. B-1, B-2):

The California Postsecondary Education Commission should begin its statutorily mandated review of existing standards and the appropriate administrative structure for state supervision of private postsecondary institutions by no later than 1988.

In convening its review, CPEC should specifically consider consolidation of the "approved" and "authorized" categories of licensure for non-accredited degree-granting institutions, prohibition of non-accredited institutions from operating in the state, establishment of a single process of licensure for all private institutions, modification of existing statutory language to delete references to comparability between approved and accredited institutions, prohibition of non-accredited institutions from granting degrees beyond the baccalaureate, establishment of a hierarchy of licensure in which institutions would be required to move to accredited status within a stipulated period of time, establish the Council for Private Postsecondary Educational Institutions and the Private Postsecondary Education Division as

an entity separate from the State Department of Education, and restructure the membership of the Council for Private Postsecondary Educational Institutions to provide a majority of lay citizens without current or prior employment or business connections to private postsecondary institutions that fall under the Council's jurisdiction.

In December 1987, staff of the Commission drafted a prospectus for the review of the 1977 act under the title, *The State's Role in Promoting Quality in Private Postsecondary Education*. In that prospectus, the staff identified the following nine questions as among those to be answered during the study:

- 1 Are California's licensure standards under the Act for degree and non-degree granting institutions sufficiently rigorous to protect the integrity of degrees and diplomas issued by private institutions?
- 2 Are the oversight procedures currently used by the Department of Education sufficiently detailed, rigorous, and frequent to achieve this legislative intent?
- 3 Does California need five different processes for the licensure of degree-granting institutions and four different processes for vocational schools?
- 4 Should several State agencies continue to share the responsibility for licensing private vocational schools?
- 5 Should the State licensure process for degree-granting institutions continue to be restricted to the in-state operations of these institutions?
- 6 Does the State interest in promoting quality in private postsecondary education warrant the allocation of some State funding to support the oversight activities of the agency responsible for licensing these institutions?
- 7 Is the State Superintendent of Public Instruction the proper entity for primary responsibility in licensing private colleges and universities and promoting quality in private postsecondary education?
- 8 What is the distinction between accreditation and State approval, and how can the differ-

ences be clarified for members of the public who are selecting institutions in which to enroll?

- 9 What is the appropriate relationship between the State's oversight agency and non-governmental accrediting associations in the delegation of responsibility for the review and monitoring of accredited colleges, universities, and vocational schools?

The Commission decided to answer Questions 8 and 9 regarding accreditation as part of its study of the State's reliance on institutional accreditation that it was conducting pursuant to ACR 78 (Hughes, 1987) and to incorporate the findings of that study into its final report on State oversight of private postsecondary education, *Recommendations for Revising the Private Postsecondary Education Act of 1977*, which it plans to issue this next June

To assist in its review of the act, the Commission appointed a technical advisory committee consisting of the following representatives of these groups

Institutions

State-approved institutions

Rosemary Lukton, California Institute
for Clinical Social Work, Berkeley
Thomas A. Neal, President Emeritus,
California Coast University, Santa Ana

State-authorized institutions

Philip Forte, President, Pacific Western
University, Los Angeles
Ronald Isles, President, Southern California
College of Law, Brea

Accredited nondegree-granting institutions

Kristin Kleppe, President, Banking Institute,
Los Angeles
Aaron Cohen, President, United Education &
Software, Encino

Accredited degree-granting institutions

J. Robert Evans, President and Director,
Kelsey-Jenney Business College, San Diego

Associations

*Accrediting Commission for Junior and
Community Colleges, Western Association
of Schools and Colleges*

John C. Petersen, Executive Director

*Accrediting Commission for Senior Colleges
and Universities, Western Association
of Schools and Colleges*

Ralph A. Wolff, Associate Executive Director

*California Association of Private
Postsecondary Schools*

Catherine Sizemore, Legislative Representative

*California Association of State
Approved Colleges and Universities*

Alvin P. Ross, President

The Commission's Statutory Advisory Committee

*Association of Independent California
Colleges and Universities*

Jonathan Brown, Vice President

California Community Colleges

Gus Guichard, Senior Vice Chancellor
for Planning and Special Projects

California State Department of Education

Joseph P. Barankin, Assistant Superintendent
of Public Instruction and Director, Private
Postsecondary Education Division

The California State University

David E. Leveille, Director of Institutional
Relations, Office of the Chancellor

University of California

Karen Merritt, Director, Planning and Program
Review, Office of the President

*Council for Private Postsecondary
Educational Institutions*

Roseanne M. Martinez, Sacramento

Other knowledgeable individuals

Richard Baiz, Deputy Director, Executive Office,
California Department of Consumer Affairs,
Sacramento

John D. Murphy, Senior Vice President,
Institutional Affairs, University of Phoenix,
San Francisco, California

Robert White, Vice President, National
University, San Diego

These individuals and the staff of the Private Postsecondary Education Division of the State Department of Education have provided much assistance to the Commission staff in the preparation of this

report Even though some of them disagree with some of its conclusions in the following pages, they have improved its quality, and their advice will

help shape the Commission's ultimate recommendations regarding the future of the law



Union University
207 North Broad Street
Los Angeles, California 90033

November 23, 1985

Mr. C.D. Pepper
9509 Burke Lake Road,
Burke, VA 22015

Dear Mr. Pepper,

The Graduation Committee is pleased to approve your degree and graduation status. Your oral defense of your subject, as you may know, was successful. Congratulations!

Upon receiving your "Candidate Checklist," I find that all requirements have been completed and your tuition is Paid
in full.

Therefore, it gives Union University and myself personally great pleasure to inform you that you are approved to be awarded the degree of Doctor of Philosophy in
Psychology. We shall, of course, follow your wishes regarding participation in the Commencement Ceremony. You may accept your diploma at that time, ask that it be sent to you now, or arrange to come to the university to personally accept it.

Once again, it is my distinct honor to advise you of your success in achieving your earned degree. Union University is proud of graduates such as yourself and wishes you every success with your future. We look forward to your suggestions and support of our Alumni Association during the upcoming year.

Hardest Congratulations,

Dr. Terry Suzuki
Director of External Program
Union University

3

Importance of the Law

IN 1985, Representative Claude Pepper (D Florida) -- the 85-year-old chairman of the Subcommittee on Health and Long-Term Care of the House Select Committee on Aging -- received a Ph D from Union University in Los Angeles, one of California's State-authorized institutions that has since gone out of business. For the degree, his staff had sent Union \$1,810, a list of 44 books read, and four book reports -- on *Mental Health and the Elderly*, *Too Old, Too Sick, Too Bad*, *Plain Speaking*, and *The Power of Positive Thinking*. In accepting his degree, Chairman Pepper confessed, "I have always wanted to be Dr Pepper" (Stewart and Spille, p 76).

Union University no longer exists -- at least in California -- thanks to changes in California's law since 1984. The following pages explain why it closed, in explaining the importance of meaningful degrees and then assessing the strengths and weaknesses of the present law.

Importance of meaningful degrees

Most Americans expect a college degree to *mean* something. Despite their increasing cynicism of many social institutions, they want a degree or diploma to indicate intellectual competence and skill -- and at a level beyond that of writing four book reports.

- They expect their own educational efforts and achievement to be honestly recognized.
- They want the educational attainment of other people to be equally rewarded.
- They hope that doctors, nurses, and other people who treat them will be knowledgeable and that the diplomas hanging in professional offices will truthfully signify this knowledge.
- They hope that engineers know what they're doing in designing and building the planes they fly, the cars they drive, the bridges they cross,

and all the other technological advances on which they rely.

- They hope that in the courts of law, "expert" witnesses about professions, planes, cars, bridges, technology and every other subject *really* are expert.

That is why California seeks to "protect the integrity" of California degrees and diplomas -- to protect their honesty and soundness against deceit or fraud. It is why the State has made it illegal for anyone to print, sell, or use fraudulent, counterfeit, or materially altered degrees (Appendix B, pages 89-90). And it is why nearly every other state in the nation seeks to do the same.

As America at large and California in particular become more populous, more urban, and more technological, individuals must increasingly rely on academic degrees as documents that certify at least minimal academic or professional attainment. When they need skilled assistance -- whether from therapists, nutritionists, or even "holistic health scientists" -- they often do not have the opportunity to check personal references or call mutual acquaintances. They must depend instead on the validity of educational and professional certificates. All too often, they cannot depend on these documents. For example, according to Congressional testimony, in the early 1980s as many as 10,000 American medical doctors, or one in every 50, were practicing with questionable or fraudulent credentials (Stewart and Spille, 1988, pp 13-14).

In California, a major social problem exists with unskilled practitioners of personal counseling and therapy. Rosemary Lukton, the former dean of Berkeley's California Institute for Clinical Social Work -- a State-approved institution -- says that "In my field, people can claim they are therapists with a Ph D from anywhere in anything. You can't say that you are a "psychologist," a "psychotherapist," or a "marriage, family, and child counselor" -- but you can call yourself a "therapist." So patients get taken by Ph D s, along with employers." Yet when

California's Board of Behavioral Science Examiners asked another of the State's approved institutions about some of its graduates' coursework that State law requires them to take in order to apply for the Board's licensing examination, the university not only refused to provide the documents but hired a lobbyist to get the Legislature to cut the Board's budget and delay appointment of its members. Nonetheless, the Board is continuing to require the prescribed coursework.

Despite the concern of some social critics about "credentialism" and an "overcredentialed" society, California cannot reverse history and try to avoid reliance on academic credentials. Its citizens will make use of academic degrees and diplomas regardless of State policy. Employers will continue to use them in determining initial employment, promotion, and salary increments -- even if all too often they use them unnecessarily. And employees will need them to be considered for jobs and gain advances in their careers. Increasingly, a bachelor's degree will open doors that used to be opened with a high school diploma.

College degrees clearly have value. During this decade, for instance, an MBA has been worth \$8,700 more in starting salaries than a baccalaureate in business. As a result, demand for degrees will continue. Educators will not be immune from encouraging this demand, and a few entrepreneurs will seek to meet the demand with discount degrees.

Reflecting on his creation of "Greenbriar College" in California over 20 years ago, steamfitter Anthony James Gange explained "there seems to be a crying need. People just wanted to get fleeced, and I wanted to take advantage of the market while it was hot." Some people may want a degree just for the fun of it, but others have no wish to be fleeced.

- For example, in 1987, Candace L. Howell, who is stationed with the Armed Forces in Munich, West Germany, enrolled in a combined bachelor's-master's degree program of "LaSalle University" -- a nationally known degree mill that was operating an office at Suite 102, 9410 Topanga Canyon Boulevard in Chatsworth. She paid LaSalle over \$2,500 for tuition, fees, and books, only to receive the wrong books. After she complained from Europe, received no new books, and finally asked for a refund, Jean Christensen of LaSalle's Student Services office in Chatsworth

informed her that she had "deactivated" Ms. Howell's file "from our student roster." LaSalle kept her money and has since closed its Chatsworth office.

- In 1983, Art Boehm of Sacramento responded to an advertisement for a State-approved university and enrolled in its bachelor's program. Over the next five years, he spent \$4,000 in working with a local faculty member on his bachelor's degree, another \$4,000 on his master's degree in psychology, and \$8,500 on his Ph.D. Since then, he has been unable to get the university to send him a transcript of his Ph.D. work, and his advisor delayed so long in starting him on the 3,000 hours of supervised counseling needed for a license in marriage, family, and child counseling that Boehm doubts he will ever get his license -- since he has had to return to construction work to repay his student loans and retain his credit rating.

Felix Robb, the former executive director of the Southern Association of Schools and Colleges, has said that many people like Howell and Boehm "are trapped financially -- familywise and otherwise -- by the inability to take time off for residence requirements in traditional programs of established universities. They are looking for a shortcut, but they don't know how short the cut can be between something honorable and legitimate and something that lacks integrity." And American students may not be the most numerous victims. Ellsworth Miller says that degrees advertised in English language newspapers prove "a real pitfall for ambitious third-world youth looking for a chance to better themselves," based on his experience on the staff of the American Embassy in Saudi Arabia (Stewart and Spille, 1988, p. 177).

Consumer protection regarding academic degrees has long been a problem both in the United States and abroad. But California's problem of consumer protection has been especially exacerbated because of its wave of immigration from Mexico and Asia during the 1980s. As of 1980, 15 percent of Californians were foreign born. This percentage has grown since then. Between 1980 and 1986, some four million foreign-born persons were admitted as legal residents to the United States, and many more came as undocumented aliens -- a large number of them settling in California. As a concomitant, the

State's percentage of residents who do not use English in the home or speak it well has also increased beyond the 5 percent level recorded in the 1980 Census

California's immigrants want to succeed in American society, but like immigrants at any time in any society, they are more susceptible to being taken than long-term residents. Those who seek academic degrees as a means of success may not realize that some degrees are worth more than others in gaining advancement and that others may be worthless. For example, they are less likely than most Californians to know the difference between "accredited," "State-approved," and "State-authorized" colleges and universities, or between these recognized institutions and illegitimate ones. They also may not be aware that some employers differentiate among these institutions

- They probably are unaware that if they want to become teachers, they will not be eligible to receive a teaching credential if they graduate from an unaccredited institution
- If they want to join the federal civil service, they will need a degree from an accredited institution
- If they want to be lawyers, they may not be able to practice law in another state if they attend a California law school accredited only by California's Committee of Bar Examiners rather than by the American Bar Association
- If they want to become psychologists or counselors, they will not be eligible to take the professional licensing examinations of California's Psychological Examining Committee or its Board of Behavioral Science Examiners unless they graduate from an accredited institution or a State-approved institution that offers a recognized psychology program
- And if they need financial aid to attend college, they may not know that both the federal and California state governments restrict their student aid to students of accredited institutions

If California's foreign-born population were not growing and were less vulnerable to educational abuse than it is, California might conceivably take the libertarian view that its citizens should not be prohibited from making fools of themselves by buying whatever diplomas and degrees they desire

But because of this demographic fact of immigration alone, if not for the protection of California's educational reputation throughout the rest of the country and the world, as well as the protection of its best non-accredited institutions, the State has a responsibility to see that its mechanisms of educational quality control actually ensure a minimum level of quality -- and that its means of student consumer protection actually protect students

Maintenance of integrity

Like quality assurance in any enterprise, the maintenance of integrity or honesty of California's degrees involves three essential elements

- 1 Standards to be maintained -- whether termed *goals, aims, objectives, intentions, criteria, or regulations*,
- 2 Monitoring of performance -- whether called *assessment, evaluation, review, examination, study, or critique*, and
- 3 Controls to assure achievement -- whether labeled *oversight, decisions, actions, closure, enforcement, or withdrawal of recognition*

Until this past decade, California suffered weaknesses in all three of these elements in regulating its degree-granting institutions

- It employed inadequate standards for authorization
- Except for veterans' education course approvals, it conducted insufficient monitoring, with on-site visits restricted to verifying the accuracy of institutional statements
- And it enforced few controls in terms of denying or removing licenses of inadequate institutions

For instance, it required that institutions have only \$50,000 in net educational assets -- compared to \$500,000 of permanent endowment, as Pennsylvania demands, and it relied exclusively on accrediting agencies for checking the quality of off-campus degree programs offered in the State by out-of-state accredited institutions. Obviously no state can rely on accreditation alone to protect the value of academic degrees. Accreditation is voluntary, and thus non-accredited institutions will always exist

Even those states that expect all of their institutions to become accredited -- including Colorado, North Dakota, and Texas -- grant provisional licenses to new institutions while they prepare for candidacy. Thus government regulation at both the federal and state level is a necessary means of protecting the value of degrees.

Government regulation differs significantly from other quality control measures for higher education such as accreditation, comparative ratings of institutions, admissions standards of graduate and professional schools, and entrance requirements for the professions and employment in general, in that it sets *minimal* standards for institutional conduct by specifying an elemental level of quality beneath which educational endeavors are deemed detrimental to the citizenry and thus illegal. In contrast, accreditation, admission prerequisites, employment requirements, and other quality control standards set the going rate for institutions that seek standards above the minimum level.

In the federal government, several agencies are involved in educational regulation.

- The Postal Inspection Service of the Postal Service and the Criminal Investigative Division of the FBI investigate allegations of mail fraud and bring suit in federal courts against proprietors of fraudulent institutions doing business through the mails whenever aggrieved students lodge complaints. For instance, the FBI organized its "Dipscam" operation in the 1980s, which brought indictments and, finally, guilty verdicts, against Norman Bradley Fowler and others, who operated degree mills and fictional accrediting agencies out of Los Angeles and Chicago.
- The Federal Trade Commission investigates deceptive trade practices in correspondence education and proprietary schools, and it issues cease and desist orders against institutions that divert substantial trade unfairly from competing schools through misrepresentation of status, programs, facilities, fees, or the employment opportunities and earnings of their graduates.
- The Department of Education plays an indirect but significant role in regulating educational institutions through its recognition of voluntary accrediting agencies and state approval agencies.
- The Veterans Administration conducts annual field reviews of postsecondary proprietary vocational schools in collaboration with state approval agencies but does not itself undertake institutional evaluation.
- The most directly involved is the Federal Aviation Agency, which "certificates" aviation maintenance technician schools as part of its function of maintaining minimum safety and operational standards in the civilian aviation industry.

Much of this federal effort involves restrictions on fraudulent trade practices and the regulation of commercial transactions such as truth in advertising, due process, and adequate tuition refund policies, rather than with the maintenance of high educational standards. Nonetheless, the federal role in the regulation of academic institutions is limited, and the federal government relies on the states for leadership in regulating these institutions. Thus last summer Secretary of Education William Bennett wrote to the governors of all 50 states, saying "I urge you to undertake a thorough review and evaluation of all your State's laws and regulations governing proprietary school licensing and operations. See if they need amendment, strengthening, or more rigorous enforcement." Similarly, the Center for Adult Learning and Educational Credentials of the American Council on Education has recommended that all states "review their laws pertaining to authorization or approval of educational institutions" and then strengthen and enforce them (Stewart and Spille, 1988, p. 187).

Some states have virtually no laws regulating private higher education -- among them, Hawaii, Idaho, Louisiana, Nebraska, and Wyoming. Some of them merely require annual "registration" of institutions without any assessment of institutional operations, and consequently are likely havens for fraudulent institutions. (For instance, Louisiana officials report that following the strengthening of California's law in 1984, some California institutions moved there.) Unlike these unprotected states, California has long had laws regulating private colleges and universities -- the major one being its Private Postsecondary Education Act of 1977. The following pages assess the adequacy and implementation of this law not only in light of Secretary Bennett's request and the American Council on Ed-

ucation's recommendation but in light of the law's pending termination on January 1, 1992

Success of the law

Although strengthened greatly during the past decade, the Private Postsecondary Education Act of 1977 contains serious weaknesses as California's primary means of quality control and consumer protection in higher education

The act has three major purposes

- "to encourage privately supported education,"
- "protect the integrity of degrees and diplomas conferred by privately supported as well as publicly supported educational institutions," and
- "encourage the recognition by tax supported institutions of work completed and degrees and diplomas issued by privately supported institutions to the end that students may have equal opportunities for equal accomplishment and ability" (Section 94301)

In the following paragraphs, the Commission assesses the act's effectiveness in fulfilling all three of these goals

Encouraging privately supported education

The law has succeeded most fully in fulfilling the first of its three goals -- that of encouraging private education. As Display 5 on the next page shows, several sectors of private education have expanded over this decade, while the number of public institutions has remained constant

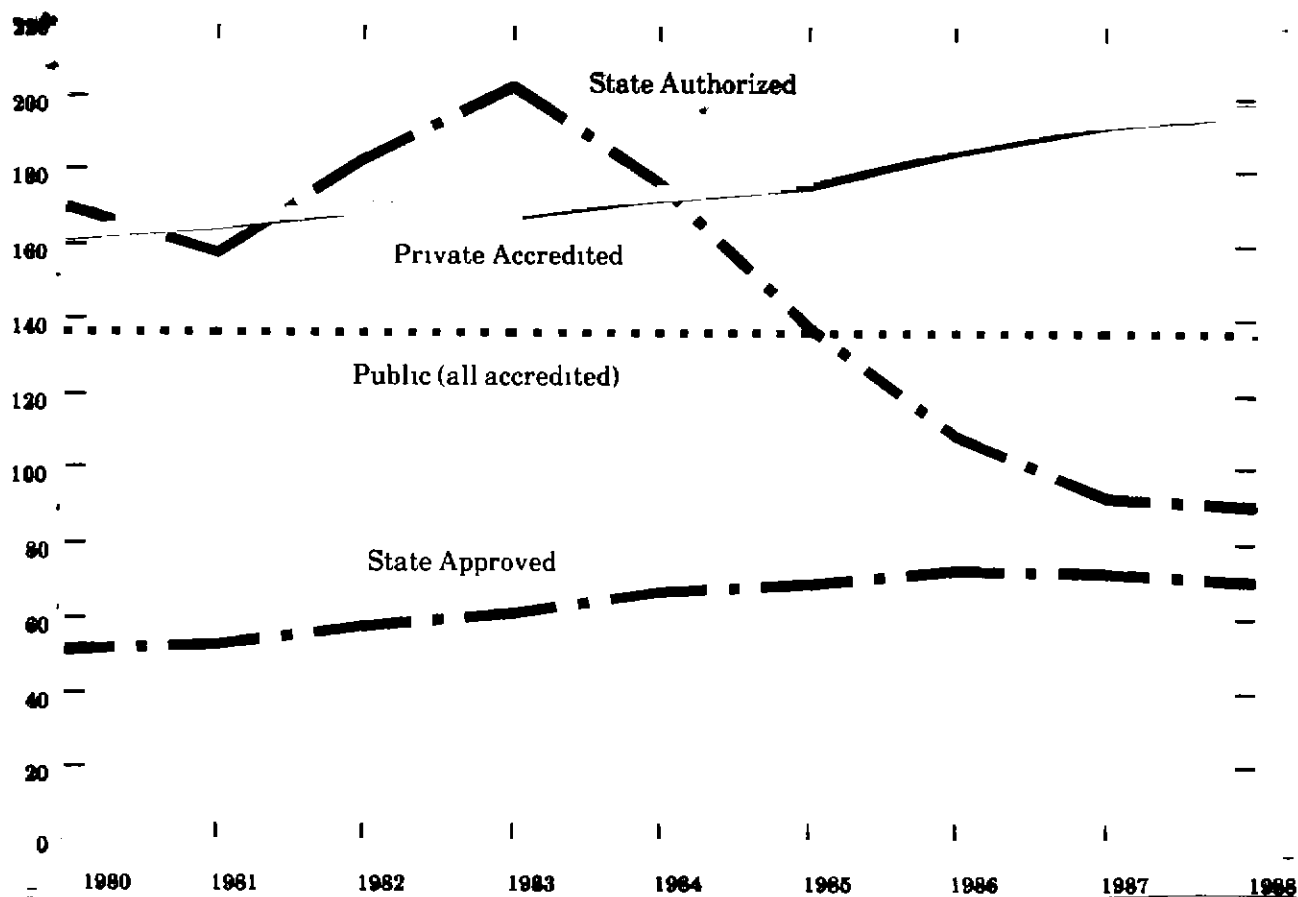
- The number of accredited institutions has grown from 157 to 197
- State-approved colleges and universities have increased in number from 49 to 70, despite the fact that some formerly approved institutions have joined the accredited ranks.
- And the number of State authorized institutions grew from 158 in 1980 to 203 in 1983, although their number has dropped sharply to 78 since then. This drop stemmed not from the law's discouragement of private education but from the decision of the Council for Private Postsecondary

Educational Institutions and the Legislature to discourage assessment and credentialing agencies from pretending to be educational institutions. In 1984, the Legislature adopted the council's recommended standards for authorization that have done more to encourage education in the private sector than any other statutory change of the past 30 years. Suggested by leaders of private postsecondary education themselves, the most important of these standards sought to encourage actual education rather than mere credentialing, and it led to the closing of a number of credentialing agencies, like Union University, that offered little if any instruction for their fees.

As a result of the law, California has a multitude of highly regarded private colleges and universities -- both accredited and unaccredited. Among those that are not accredited are the following

- Dharma Realm Buddhist University in Talmage -- several miles east of Ukiah -- offers academic programs in Buddhist thought and culture at the bachelor's, master's, and doctoral levels. It occupies the site and buildings of a former State hospital, from which it operates a resettlement program for refugees from southeast Asian countries, runs an elementary school and a medical and dental clinic, and has its students and faculty translate Buddhist texts from Chinese into English for publication by the Buddhist Text Translation Society. It expects its student applicants to undertake a year's apprenticeship before entering its program and to learn Chinese adequately within two years after admission in order to assist in its translation work. Rather than awarding the Ph.D. as its highest degree, it grants the more appropriate Doctor in Translation of Buddhist Texts and the Doctor in Buddhist Study and Practice.
- LaJolla Academy of Advertising Arts, founded by Gary and Tracy Cantor in 1981, offers a comprehensive communications program in advertising, graphic design, marketing, and public relations. It awards a two-year Associate in Advertising Arts and a three-year Bachelor in Advertising Arts based on courses meeting four hours a day five days a week, for 44 weeks a year. It uses practicing professionals as its faculty, employs field studies as well as classroom training for its

DISPLAY 5 Number of Degree-Granting Institutions Operating in California, by Type, 1980-1988



Note State-authorized institutions are those privately supported that meet the State's basic standards for operation as degree-granting institutions. State-approved are those authorized institutions that have chosen to be evaluated at a second level. Private accredited institutions are those degree granting colleges and universities that are accredited by nationally recognized accrediting agencies. Public institutions are the California Community Colleges, the California State University, the University of California, the California Maritime Academy, and Hastings College of the Law -- all of which are accredited.

Source Private Postsecondary Education Division, California State Department of Education

students, and offers them lifetime career placement assistance

- Southern California Institute of Law, organized in 1986, offers day and evening legal training at an affordable price in Santa Barbara and Ventura. It emphasizes the examination of major issues of social policy from a legal perspective. Thus it includes as part of its required curriculum courses in jurisprudence, the lawyering process, alternative dispute resolution, and international law, and it seeks to offer electives on immigration law, law and medicine, and the president and executive power. At the end of its first four

years of operation, it hopes its first graduating class will pass the bar examination at a rate at least 10 percent above the statewide rate.

- National Hispanic University in Oakland, established in 1981, provides high quality higher education programs in education and health care to students whose profession may require a multicultural or multilingual knowledge, expertise, and perspective. It seeks to meet the particular needs of Hispanic students, but it seeks students from all ethnic and racial groups. It has developed partnerships with corporate and public agencies for placement of its graduates. Having

obtained State approval, it has been granted eligibility for candidacy for accreditation by the Senior Commission of the Western Association of Schools and Colleges and is proceeding toward candidacy

- California Pacific University in San Diego was established in 1976 to train professional managers who are capable of exercising leadership in a variety of settings -- public as well as private, who are skilled in the theoretical, analytical, and human resources areas of management, and who respect the dignity and worth of the individuals with whom they work. It offers bachelor's, master's, and doctor's degrees only in its particular area of expertise -- business and management -- rather than trying to cover a wide variety of fields, as do some other State-approved universities

Some of California's best non-accredited institutions may eventually achieve accreditation. Other equally good ones may not want to do so or may never be accreditable because of the specialized nature of their undergraduate program or their lack of a core full-time faculty, and California's law enables them to succeed without accreditation

Protecting the integrity of degrees and diplomas

The Private Postsecondary Education Act of 1977 has been far less successful in its second goal of protecting the integrity of degrees and diplomas, primarily because its new authorization standards are only five years old. Unfortunately, for years to come the integrity of degrees from all of California's non-accredited institutions will remain suspect because of the thousands issued by a few institutions authorized before 1984

Opinions vary, of course, on the success of the law in achieving this goal of protection. For instance, Frank G. Dickey -- the former executive director of the National Commission on Accrediting and a consultant during 1987 to the Department of Education -- has concluded that "the California Legislature is to be commended on its actions which place California among the leaders in the nation in terms of attention given to maintaining the integrity of postsecondary education for degree-granting programs" (p. 3)

In contrast, E. Anne Kelley, Manager of Programs for the Minnesota Higher Education Coordinating Board, says that in her experience of approving California institutions to grant degrees to Minnesotans, "California would be better off without any law at all than the present law." And David A. Young, her counterpart in Oregon's Office of the Governor, says that he hopes for

a time when we no longer have to advise Oregon organizations mostly to discount academic degrees from "approved" California schools and altogether to disregard those from "authorized" schools. I can hope, for example, that Oregonians will no longer be able to get by mail a baccalaureate in April and a Ph.D. in October of the same year. Most California unaccredited schools approved by your Department of Education evidently could not operate legally in Oregon, and many would have similar troubles in Washington (1987, p. 1)

Questions also remain within California's Department of Education itself about the meaning of degrees offered by some State-authorized and approved institutions. For example, the Superintendent of Public Instruction himself has so far rejected a request from the Council for Private Postsecondary Educational Institutions that he seek federal recognition of California's institutional approval process as comparable to accreditation because "existing regulations don't ensure the high standards of quality that approved schools should exemplify -- and which most do" (1988, p. 1)

Encouraging the recognition of credits and degrees awarded by privately supported institutions

So far, the law has not succeeded in its third goal -- that of encouraging the recognition by public colleges and universities of the credits and degrees and diplomas of all private supported institutions. Its improvements have been so recent that admissions officers on campuses of the California State University and the University of California continue to follow the policy of rejecting for transfer any credits earned at non-accredited institutions, whether State-approved or State-authorized. At the graduate-school level, they ordinarily send applications to individual departments for review,

and if a department wants to admit a graduate of an unaccredited institution, it must explain its reasons to a special graduate school committee, which then decides on admission of the graduate on a case-by-case basis

The law has been somewhat more successful in encouraging the recognition of non-accredited college degrees by employers, but not much. At the request of the Private Postsecondary Education Division, the State Personnel Board agreed on April 7, 1987, to regard degrees from State-approved institutions as equivalent to those from accredited institutions when the minimum requirements for State employment include a degree. Many private employers also recognize degrees from California's non-accredited institutions for employment and promotion purposes. But California's largest corporations do not.

In order to assess the acceptance of State-approved and authorized degrees by those firms, the Commission surveyed the use of degrees by the State's six largest private employers -- Bank of America, Hewlett-Packard, Lockheed Corporation, Northrop Corporation, Pacific Telesis, and Security Pacific Bank. Of the six, those with any formal policy tend to prefer degrees from accredited rather than State-approved or authorized institutions.

The six differ, naturally, in the emphasis they put on a college degree. Some weigh candidates' experience as far more important than their educational credentials, while -- at the opposite extreme -- others require all applicants for specific positions to be graduates of accredited institutions. But for initial employment, the three with general policies prefer degrees from accredited rather than State-approved or authorized institutions -- and four of the five with policies of reimbursing employees for in-service education will pay only for enrollment at accredited institutions.

- *Initial employment* The three firms with policies regarding the educational background of candidates for initial employment -- Hewlett-Packard, Lockheed, and (for managerial positions) Pacific Telesis -- either prefer or require that the degree be from an accredited institution. Lockheed, for example, hires new engineers only from institutions whose engineering programs are accredited by the Accreditation Board for Engineering and Technology, Inc. -- the nationally recognized accrediting agency for

first professional degree programs in engineering. In contrast to those three, Northrop makes its decision on a case-by-case basis, researching every degree and program and looking particularly closely at credit awarded for life experience, whether by accredited or non-accredited institutions.

- *In-service education* Four of the six corporations reimburse employees for courses taken only at accredited institutions. The fifth -- Security Pacific -- reimburses employees for work toward a degree only at accredited institutions but will pay the costs of one or two non-degree-oriented courses at a State-approved or authorized institution. Northrop decides reimbursement on a case-by-case basis and reimburses employees only 50 percent of their fees, even at accredited institutions, if it believes that those institutions do not provide sufficient student-faculty contact.

This lack of recognition of non-accredited degrees among private employers probably accounts in large part for the apparent small size of non-accredited institutions. Data on privately supported institutions are incomplete, since the State does not require these institutions to supply annual statistical information to any State agency as a condition of licensure -- and some profit-making institutions consider these data to be proprietary information. But based on the information summarized in Appendix C, non-accredited private colleges and universities for which the Commission has these facts enrolled an average of less than 200 students each in Fall 1987, compared to an average of some 1,600 at accredited institutions. Similarly, the average non-accredited institution granted less than 50 degrees in 1986-87, compared to over 350 at accredited ones.

Limited recognition of the degrees of non-accredited institutions and the ineligibility of their students for government-backed financial aid also affects the total size of the non-accredited enterprise. Although generalizations are difficult to make because of limited data, California's accredited institutions probably enroll and graduate between six or seven times the number of students as its non-accredited institutions. But because more accredited institutions emphasize undergraduate study than do non-accredited institutions, their hegemony of graduate degrees is not as great. They prob-

ably grant only up to two times as many doctorates as non-accredited institutions, and only between four and six times as many first-professional degrees.

In sum, while California's non-accredited institutions outnumber both its public and accredited private institutions, the limited recognition of their degrees significantly limits their size

Strengths of the law

From the Commission's perspective, several parts of the current law appear far more effective in protecting the integrity of California's degrees than others. Its two most effective parts -- and its two newest parts -- involve (1) the authorization of colleges and universities and (2) the licensure of out-of-state accredited institutions that operate in California

State authorization of colleges and universities

No change in the law over the past 30 years has had more beneficial impact on ensuring the meaning of California's degrees than Senate Bill 2151 (Watson, 1984), which -- as noted earlier -- implemented standards for authorization that were developed in 1982 by a special committee impaneled by the Council for Private Postsecondary Educational Institutions. The members of that committee deserve recognition for their efforts

Glen Balch, President, Newport University,
Newport Beach,
Suzanne Berard, President, LaJolla University,
LaJolla,
John Coker, Dean, Lincoln University Law
School, San Francisco,
Richard Crews, President, Columbia Pacific
University, Mill Valley, *Chair*,
N C Dalton, President, California Pacific
University, San Diego,
Phillip Forte, President, Pacific Western
University, Encino,
William K Haldeman, Postsecondary Education
Administrator II, California Postsecondary
Education Commission,
John Humphreys, President, Humphreys College,
Stockton,

Steven Kase, President, Pacific State University,
Los Angeles,
James Kirk, President, Southland University,
Pasadena,
Richard McKee, Director, Music and Arts
Institute, San Francisco,
Melanie Moran, Director, Los Angeles
Psychosocial Center, Los Angeles, and
Al Ross, President, Ryokan College, Los Angeles

The Council for Private Postsecondary Education also deserves recognition for supporting the committee's 12 standards, which relate to institutional objectives, administrative methods, curriculum, instruction, faculty, physical facilities, administrative personnel, educational record keeping, admissions standards, scholastic regulations, graduation requirements, degrees offered, financial stability, and tuition, fee, and refund schedules

Under this 1984 revision of the law, the Superintendent of Public Instruction may not authorize a college or university to operate and grant degrees unless he determines, by use of a three-member visiting committee, that it complies with 105 objectives that uphold these dozen standards. Prior to 1984, the Superintendent had to authorize institutions if he determined that the materials it submitted were truthful and accurate -- including a statement that it had assets of at least \$50,000 -- a minimal requirement that is still true for authorized theological schools, as will be discussed below. Senate Bill 2151 not only instituted these new criteria, it required that already-authorized institutions be revisited under the new criteria if they sought to be authorized as colleges and universities, which precipitated the large drop in their numbers shown above in Display 5. As of last fall, 61 institutions had been authorized under these criteria, 15 had been denied, 8 were automatically terminated, and 16 had applications in various stages of review -- but at least 60 more -- including Claude Pepper's alma mater Union University -- either did not apply for reauthorization or withdrew their applications during the reauthorization process. Several of the 15 that were denied have appealed their denial, but as of yet none of them has had an administrative hearing. Until decisions are reached from those hearings, those institutions are free to continue to operate and grant degrees. Yet already the

law has succeeded in improving the integrity of California's degrees

Licensure of accredited out-of-state institutions

The second strength of the law is its new regulation of the California operations of accredited out-of-state institutions. The law has never allowed non-accredited institutions from other states to open branches in California, but until this decade it permitted accredited institutions to do so. Until the 1970s, the nation's six regional accrediting associations had not agreed on ways to evaluate off-campus branches in each other's regions, but they have been improving their oversight of these centers since then. Over the past eight years, the California Legislature has taken its own initiative regarding oversight -- most recently through Senate Bill 1036 (1985, Montoya) -- to ensure that those centers located in California operate on standards at least as high as those expected of California's own institutions.

Under Senate Bill 1036, another special committee developed these standards. It consisted of

Dan Andersen, Associate Dean, College of Education, Brigham Young University, Provo, Utah,

Daniel Austin, Dean, College of St. Francis, Joliet, Illinois,

Carol Barnes, California State University, Fullerton,

Ralph Bohn, Senior Dean of Continuing Education, San Jose State University,

Charles Brydon, Dean, Antioch University West, San Francisco,

Edith Conn, Instructor, Ventura Community College, Ventura,

Kathy Dinaburg, Associate Dean, Union of Experimenting Colleges and Universities, Los Angeles,

William Duggan, Dean of M.A. Programs, Webster University, St. Louis, Missouri,

Mary Jane Fehr, Director of Accreditation, DeVry, Inc., Evanston, Illinois,

Janet M. Hansen, Embry-Riddle Aeronautical University, Castle Air Force Base, Merced,

Morris Krear, Consultant, Division of Private Postsecondary Education, California State Department of Education,

Sally Loyd, Associate Dean, Educational Programs and Resources, Office of the Chancellor, The California State University, Donald MacIntyre, President, John F. Kennedy University, Orinda,

J. William May, Consultant, Division of Private Postsecondary Education, California State Department of Education,

Robert C. Miles, Director of Corporate-State Relations, Nova University, Fort Lauderdale, Florida,

John D. Murphy, Senior Vice President, Institutional Relations, University of Phoenix, San Francisco, California, and Chairperson, Accredited Out-of-State Colleges and Universities in California,

James H. Nelson, Chancellor's Office, California Community Colleges,

John H. Peterson, then Chief, Division of Private Postsecondary Education, California State Department of Education, and

John Wilkinson, Office of Military Programs, Southern Illinois University at Carbondale, Carbondale, Illinois

The seven standards developed by this committee cover all aspects of institutional operation from governance through physical plant. Based on these standards, staff of the Private Postsecondary Education Division has developed its November 1988 *Handbook and Application for Licensure* for these branch centers and has begun site visits to the 12 currently operating in California. So far, the Superintendent has licensed five of the 12 based on these standards, while the other seven continue to operate under the "authorized" classification of Section 94310.3

Reasons for the strengths

In both of these cases -- authorization of California institutions, and licensure of out-of-State institutions operating in California -- improvement in the law has involved (1) setting qualitative standards that are (2) assessed by on-site visits by teams of educators and State agency personnel. In 1982, neither of these requirements existed. Only those institutions that sought State approval for one or more of their programs were required to be visited in order to ensure they met State standards. Now, visits are required for all degree-granting institu-

tions operating in California apart from those that claim religious exemption. The number of visits by Division staff has risen from only a few in 1982 to several score per year now.

As an expression of the State's responsibility for the oversight of private institutions, this increase in the number of campus visits may seem of secondary importance. Yet combined with the application of new standards for education, it indicates an important change in California's attitude toward quality assurance in higher education - a change from a *laissez-faire* orientation to active, involved oversight.

Weaknesses of the law

Despite this clear progress, problems remain with the law's oversight of three other categories of institution -- (1) religiously exempt, (2) approved, and (3) authorized schools of theology.

Exemption for presumably religious offerings

Four of America's 50 states -- Illinois, Massachusetts, Michigan, and West Virginia -- regulate all of their degree-granting institutions and grant no exemptions to religious ones. But how to safeguard the free exercise of religion while at the same time safeguarding the meaning of academic degrees presents problems for most other states, including California. Probably no more well-known example has occurred anywhere than in Modesto, where the pastor of the Universal Life Church, Dr. Kirby J. Hensley, has ordained more than three million other ministers since 1962 and has granted untold doctor of divinity degrees for "suggested free-will offerings" of \$20.

To most Americans, the promotion of academic trappings by ecclesiastical organizations is harmless enough that it raises few questions and only an occasional wry eyebrow. But now and then problems arise, as when unlicensed institutions offer programs in "pastoral counseling," with untoward results for parishioners. In such cases, the laws of most states allow "legal loopholes through which unscrupulous operators may slide," according to James R. Mingle, the executive director of the State Higher Education Executive Officers (1988, p. 3). Mingle advocates that all states review their pres-

ent laws regarding religious exemption and strengthen them where necessary.

California's relevant law is codified as Section 94303(b) of the Education Code, which exempts from the provisions of the Private Postsecondary Education Act

A nonprofit institution owned, controlled, and operated and maintained by a bona fide church or religious denomination if the education is limited to instructions in the principles of that church or denomination, or to [nursing] courses offered pursuant to Section 2789 of the Business and Professions Code, and the diploma or degree is limited to evidence of completion of that education, and the meritorious recognition upon which any honorary degree is conferred is limited to the principles of that church or denomination.

Lacking further statutory guidance, the State Department of Education interprets this exemption as automatic upon an institution's application for exemption, unless it disapproves the application. "A completed application for exemption that is true and accurate on its face will be accepted as prima facie evidence of exemption" (Private Postsecondary Education Division, November 1980, p. 2). An institution can thereby claim exemption by the fact of its existence, without any requirement for obtaining the concurrence of the Superintendent of Public Instruction (Unger, 1985, p. 2).

During the 1970s, the Church of the Harley Davidson claimed an automatic exemption under the law because riding a motorcycle was a religious experience. It worshipped motorcycles and had as a tenet of its faith the belief that each of its members possessed intricate knowledge about its "deity" to warrant the teaching of motorcycle mechanics under the exemption. Eventually, however, the Office of the Attorney General was able to reject its claim.

In 1984 the Attorney General was able, after years of complaints, to enjoin Clayton Theological Institute from selling degrees in theology for \$20 and offering to provide transcripts to its degree recipients for additional sums of money. Yet at least as recently as 1985, the University of Metaphysics and the Harvest International Bible Institute and Theological Seminary were selling degrees, and to this day, Joseph M. Kadans is issuing degrees from

"Bernadean University" of his Church of Universology, Inc., while he and the Attorney General await the outcome of a related church university case in federal court (Kadans unsuccessfully sought State authorization for Bernadean in 1981 and was denied in 1982. Then operating the University out of an empty motel in Van Nuys, he claimed his motor home, which was parked outside, as part of Bernadean's \$50,000 net assets because he used it as the University's admissions office. The State's visiting team was unable to verify this claim, however, because Mrs. Kadans was sleeping in it.)

Most recently, Feather River University at Post Office Box 1900, Paradise, California 95969, has deemed itself religiously exempt and claims that it is registered as such by the Department of Education, although the Department disputes the claim. Barry W. Creighton, a southern California physician, directs Feather River from 5463 Scottwood Road in Paradise. The University offers bachelor of arts, master of arts, and doctor of philosophy degrees in the martial arts through correspondence study and transfer of credits. It "seeks to advance the study and practice of, and achievement of recognition in, the martial arts" -- including judo, karate, kung fu, and aikido. Its bachelor's, master's, and doctoral theses may consist of a written paper or audiovisual presentation. As of 1986, it was charging Americans \$20 and foreign students \$100 to apply, but it was accepting checks, VISA, or MasterCard for its \$1,500 tuition in its bachelor's program and its \$1,000 tuition in its master's or doctoral programs.

Feather River University does not consider itself a "church" because it "does not conduct 'services' or anything akin to this strictly Western concept." Instead, it classifies itself as a "religious denomination," since practitioners of the martial arts undergo spiritual as well as physical training. Among the apparently religious courses that it was offering in 1986 were Legal Issues in the Practice of Martial Arts, Small Business Management Principles for the Privately Owned Dojo (i.e., a martial arts-related enterprise), Word Processing, and Data Processing.

Feather River has received tax exemption status as a religious organization from the California Franchise Tax Board. Yet it does not seem to meet the requirements for religious exemption that Margaret Tan -- the State Department of Education's law-

yer for the Private Postsecondary Education Division -- wrote in her September 1987 opinion on the topic, which defines religiously exempt programs and indicates what institutions should do to claim exemption.

The Department is taking no action on Feather River's claim of exemption, however, because of the press of more urgent issues. The former assistant director of the Division explained the reason for seldom challenging such claims of exemption in these words: "When we have legal reasons to question and investigate, the materials submitted -- if any are submitted voluntarily -- generally require our legal office to examine them and advise us, a very costly and time-consuming act, one, which is, we might add, of the lowest priority with our legal office and the Attorney General" (Unger, 1985, pp. 1, 2).

Why institutions do not submit materials voluntarily has been stated most pointedly by G. Merle Bergman of Los Angeles, when he dared the State Department of Education and the State of California in general to try to question his Society of Fellowship's Institute of World Studies about its degrees (1984, pp. 5, 6).

The only degrees whose integrity you are entitled to secure are those which you authorize, approve, or otherwise accredit, and you cannot do that by regulating others. Any other degrees are none of your business, and our educational efforts and degrees are not authorized, approved, or accredited by you, nor do we seek to have them so, nor do we claim that they are, and your attempt to compel us to seek your authorization, approval, or accreditation, or regulate us in any way is a gross violation of liberty.

If you believe that the Institute is not within its constitutional rights or if you have any evidence that the Institute has represented to anyone that it has your imprimatur, by all means take the matter to court. We welcome the opportunity to obtain a decisive statement from a court that you are exceeding your authority, as you most assuredly are. The notion that you can deny freedom of speech, association, and religion to protect some mythical "integrity" of degrees is absurd.

Clearly, California should not and cannot prohibit the free exercise of religion by the Society of Fellowship or anyone else. It obviously cannot intrude in the decision of a religious institution about what it wants to teach. But when a religious institution wants to bestow academic degrees, it chooses to take part in a long-established academic approach to human knowledge and -- whatever its special belief system -- chooses to submit to the same discipline and conventions shared by other participants in the academic community. The granting of academic degrees is clearly not a natural right but a privilege in American society -- and a privilege ordinarily restricted by California's Legislature to qualified academic institutions. California's law is deficient in automatically granting this privilege to any group that claims that it is a bona fide church or religious denomination, particularly when this privilege leads to others, such as recruiting students from overseas under federal immigration regulations on student visas.

Continued exemption of Feather River University seems particularly unfortunate because it may increasingly threaten the integrity and acceptance of the degrees of a similarly named neighboring institution -- Feather River College in Quincy, the region's two-year community college. Joseph Brennan, the president of the college, says that the similarity of names and the proximity of the two institutions "has already caused inquiries and misinformation as to the mission, goals, and validity of the educational program offered by Feather River College" (1989, pp. 1-2). Throughout the United States, potential employers of Feather River College graduates may mistakenly assume that they have majored exclusively in the martial arts.

Equation of State approval with non-governmental accreditation

California's 70 colleges and universities that are State-approved but unaccredited vary widely in scope. Two-thirds of them are single-purpose institutions that offer degrees in only one field, such as psychology, theology, or law. About 15 percent offer several degrees in closely related areas of study, while the rest offer degrees in a wide variety of subject areas. Some of them clearly rival accredited institutions in their educational attainments,

and since 1972 the Western Association of Schools and Colleges (WASC) has required that its applicants for membership be State-approved rather than simply State-authorized. But the lack of general education in the undergraduate curriculum of some approved undergraduate institutions and the lack of a core of full-time faculty members at others makes them ineligible for WASC accreditation, and their ineligibility has led to pressure for the State to equate its approval with non-governmental accreditation.

Prior to 1977, institutions that sought State approval for one or another of their degree programs were required by statute to ensure only that the curriculum of the program was "consistent in quality with curricula offered by *established* institutions" (italics added). Since then, accreditation has been added to this statutory requirement. Currently, under Section 94310.2(a)(2) of the Education Code, approved institutions must demonstrate to the Superintendent of Public Instruction that "the curriculum is *consistent in quality with curricula offered by appropriate established accredited institutions* which are recognized by the United States Department of Education or the Committee of Bar Examiners for the State of California" and the courses of study for which they grant the degree must achieve their "professed or claimed academic objective for higher education, with verifiable evidence of academic achievement *comparable to that required of other recognized schools accredited by an appropriate accrediting commission* recognized by the United States Department of Education or the Committee of Bar Examiners for the State of California." Moreover, the Superintendent of Public Instruction "shall not approve an institution to issue degrees until he or she has conducted a qualitative review and assessment of, and *has approved, each program offered by the institution*." (italics added)

More confusion over the integrity of California degrees has been caused by these italicized words than any others. Clearly in terms of the "verifiable evidence of academic achievement" comparable to that "required of other recognized schools accredited by an appropriate accrediting commission," some State-approved institutions are clearly comparable to some accredited ones. But others are just as clearly not. Basing State approval on the comparability of curricula and academic achievement between non-accredited and accredited institutions

raises as many questions about the quality of California's accredited institutions as it does about its approved institutions. Moreover, the visitation and decision-making processes of accrediting agencies and the State Department of Education are so different as to themselves be non-comparable.

California is the only state in the nation that "approves" some institutions in this way, above and beyond authorizing them to grant degrees. Under John H. Peterson -- the former director of the Private Postsecondary Education Division -- the Division sought to portray State approval as equivalent to accreditation, and, as noted earlier, the Division has succeeded in convincing the State Personnel Board of their comparability. Similarly, the Council for Private Postsecondary Educational Institutions has urged Superintendent Honig to convince the United States Secretary of Education of their comparability, so that the federal government will recognize California's approval process as comparable to accreditation, thereby allowing California's approved institutions to become eligible for federal student financial aid -- and thus for State student aid as well.

For several reasons, however, this equation of State approval with accreditation seems ill-advised. Beyond the confusion it causes both within California and throughout the world, it undercuts desirable State policy of encouraging non-governmental accreditation. It also blurs the desirable distinction between State licensure on the one hand as an *essential* means of minimal education quality control and accreditation on the other as a *beneficial* means of quality improvement.

California would be on more defensible ground if it moved away from this pretense and based the meaning of approval on criteria other than the comparability of curricula and the academic achievement of graduates. For example, it could require approved institutions to demonstrate that they achieve their educational purposes successfully or make a demonstrable difference in the academic achievement of their graduates.

Some observers have suggested an even more radical change involving approval that it become mandatory rather than optional. They suggest that California expect all authorized institutions to achieve approval within a certain number of years. Among them, Rosemary Lukton -- until recently a

member of the Council for Private Postsecondary Educational Institutions and former dean of the State-approved California Institute for Clinical Social Work -- argues that authorization should be a "temporary way-station on the way to approval" (1988, p. 1). Under this approach, "approval" would become the State's minimum standard of common educational quality, preceded by a temporary or provisional licensure status for fledgling institutions.

Lack of educational standards for authorized schools of theology

When the Legislature strengthened the minimum standards for California's authorized colleges and universities in 1984, it allowed unaccredited institutions that award degrees "primarily in theology and other areas of religious study" to continue to operate under the previous standards. California's best-known theological schools are nationally and regionally accredited, but to avoid questions of State control of unaccredited ones, the Legislature created for them a new category of institutional recognition -- Section 94310.4 of the Education Code -- and required only that (1) the documents that they submit for review are accurate, including a statement of institutional assets of at least \$50,000, (2) their education is directly related to theology or ministry, and (3) the titles of their degrees identify them as in theology or ministry.

Thirteen institutions have been authorized by the Superintendent to operate as schools of theology under this new section of the Code. The Superintendent grants authorization to these schools for a three-year period by having a three-member visiting team determine the truthfulness and accuracy of their documents. Only if the team finds the affidavits to be inaccurate may the Superintendent deny them authorization to grant degrees.

The Commission has no reason to believe that these institutions are not serious academic institutions. Nonetheless, the law governing them has three weaknesses -- confusion, inadequacy, and redundancy.

- *Confusion*. Institutions authorized under this section of the law are prohibited from representing "by any means whatsoever" that State has made "any evaluation, recognition, accredi-

tation, approval, or endorsement of the course of study or degree " But because the law does not require the schools to state this fact in their publicity, most people would ordinarily assume that the State has evaluated, recognized, and endorsed them by authorizing them to grant degrees To a prospective student, no great difference might be obvious in an institution's statement that it is authorized to grant degrees under Section 94310 4 rather than 94304 3 of the Education Code Yet the difference is not simply academic State authorization means entirely different things under these two sections of the Code Thus the Commission agrees with the Division's former assistant director "The school-of-theology statute, if it needs to exist at all, needs to be revised to include criteria for authorization that clearly relate to such institutions" (Unger, 1985 p 2)

- **Inadequacy** Permitting a degree-granting institution to operate with no more than \$50,000 of net assets devoted to education has long been an inadequate requirement, as evidenced by the jewelry, condominiums, and recreational vehicles that institutions have claimed over the years as their educational assets It consists of less than \$1,000 in 1850 dollars -- the year California first imposed an endowment requirement Some observers believe that, at a minimum, the Legislature should increase this requirement to \$150,000, and some advocate that California should emulate Pennsylvania's requirement of \$500,000 in clear endowment principal, exclusive of any buildings, equipment, or indebtedness The Commission believes a more equitable requirement for all institutions is to expect them to have adequate financing to ensure programmatic stability Thus an institution offering only one-year programs would need fewer resources to ensure that its students are able to complete their program than would an institution offering a three- or four-year program Assets of \$50,000 are unlikely to provide this assurance
- **Redundancy** Religious exemption under the law seems a more valid status than authorization for those religiously oriented institutions that do not want authorization as colleges and universities If California retains some form of this exemption, religious institutions would

lose nothing by being exempted rather than being authorized Section 94310 4 could thereby be eliminated entirely from the Education Code

Enforcement provisions

The Private Postsecondary Education Act has at least four weaknesses in its enforcement provisions

Inadequate first-offense penalties

First, the act imposes a fine of no more than \$500 or imprisonment in the county jail, or both, for a first offense of willful violation of its provisions, and a fine of at least \$1,000 and felony imprisonment in the State prison, or both, for a second or subsequent offense (Section 34336) Its first-offense penalty is unlikely to deter potential violators

Oregon, in contrast, has solved this problem by fining first offenders up to \$25,000 -- but then giving them the alternative of signing a court statement of voluntary compliance, after which another violation automatically puts them in contempt of court and can lead to the maximum fine

Insufficient "padlock" provisions

Second, the act does not give the Superintendent of Public Instruction the power to halt the operation of authorized institutions that are not meeting their obligations In 1981, the law was strengthened by the addition of its "padlock" provision -- Section 94305 5 -- that allows the Superintendent to seek injunctions by local courts or law enforcement agencies to halt the operation of *unauthorized* or *unapproved* institutions until the courts can determine that their authorization or approval is unnecessary But this provision fails to apply to *already* licensed institutions Revocation of an institution's license involves a number of steps, estimated by the Office of the Legislative Analyst to cover a minimum of 16 to 26 months (1980, p 29)

<i>Procedure</i>	<i>Months Involved</i>
Preparation of case by Division staff	4-5
Hearing before the Council for Private Postsecondary Educational Institutions	2-4

Division forwards the case file to Legal Office and Attorney General who drafts accusation	6-12
Advisory administrative hearing	3-4
Final decision by Superintendent	1
Possible court action by institution	--
Official revocation (injunction by Attorney General, if necessary)	---
Total elapsed months	16-26 +

Noncomplying institutions can continue to operate and award degrees during this time. To shorten this process, the Legislative Analyst has suggested that the statute be changed to grant the Division the authority to revoke or deny authorization upon direction by the Council (1980, p. 31)

Lack of continuing jurisdiction

Third, the Superintendent has no jurisdiction over the proprietors of institutions if they withdraw their application for authorization or close an institution that has been denied authorization and then open it again under a different name. The reason is that the Superintendent can only revoke a license to operate -- and these individuals have no license to be revoked.

What is needed is a statute that allows for the filing and pursuing of disciplinary action after the expiration of a license -- in effect saying, "The fact that you aren't authorized to grant degrees doesn't prevent the State from seeking to protect the public against your activities."

The Office of the Attorney General offers an example of such language that provides for continuing jurisdiction which appears in the following italicized portion of Section 1297 of California's Health and Safety Code:

§ 1297. Effect of withdrawal of application, suspension, expiration or forfeiture on authority of state department.

The withdrawal of an application for a license or a special permit after it has been filed with the state department shall not, unless the state department consents in writing to such withdrawal, deprive the state department of

its authority to *institute or continue a proceeding against the applicant for the denial of the license or a special permit upon any ground provided by law or to enter an order denying the license or special permit upon any such ground*

The suspension, expiration, or forfeiture by operation of law of a license or a special permit issued by the state department, or its suspension, forfeiture, or cancellation by order of the state department or by order of a court of law, or its surrender without the written consent of the state department, shall not deprive the state department of its authority to *institute or continue a disciplinary proceeding against the licensee or holder of a special permit upon any ground provided by law or to enter an order suspending or revoking the license or special permit or otherwise taking disciplinary action against the licensee or holder of a special permit on any such ground*

The Superintendent of Public Instruction lacks similar continuing jurisdiction.

Conviction of officers or agents

Fourth and finally, the Superintendent must rely on Sections 18825 and 18826 of Title 5 Regulations to deny or suspend institutional authorization or approval, or an institutional officer's or agent's permit, if the holder pleads guilty or *nolo contendere* or is found guilty of criminal acts other than minor traffic offenses. The Attorney General's Office deems these regulations to be unenforceable if the individual is convicted on a plea of *nolo contendere*, since these regulations do not stem directly from statute. Courts have prohibited use of *nolo contendere* pleas without specific statutory authority in *Birnbaum v. Lackner* (1978) 82 Cal. App. 3d 284, and *Cartwright v. Board of Chiropractic Examiners* (1976) 16 Cal. 3d 762. Thus the Attorney General recommends the addition of the following language to statute from Sections 18825(e) and 18826(e) of the regulations:

The superintendent may suspend, deny or revoke an approval, or authorization, or Certification of Authorization for Service, whichever action is timely and appropriate, on the following grounds, as appropriate:

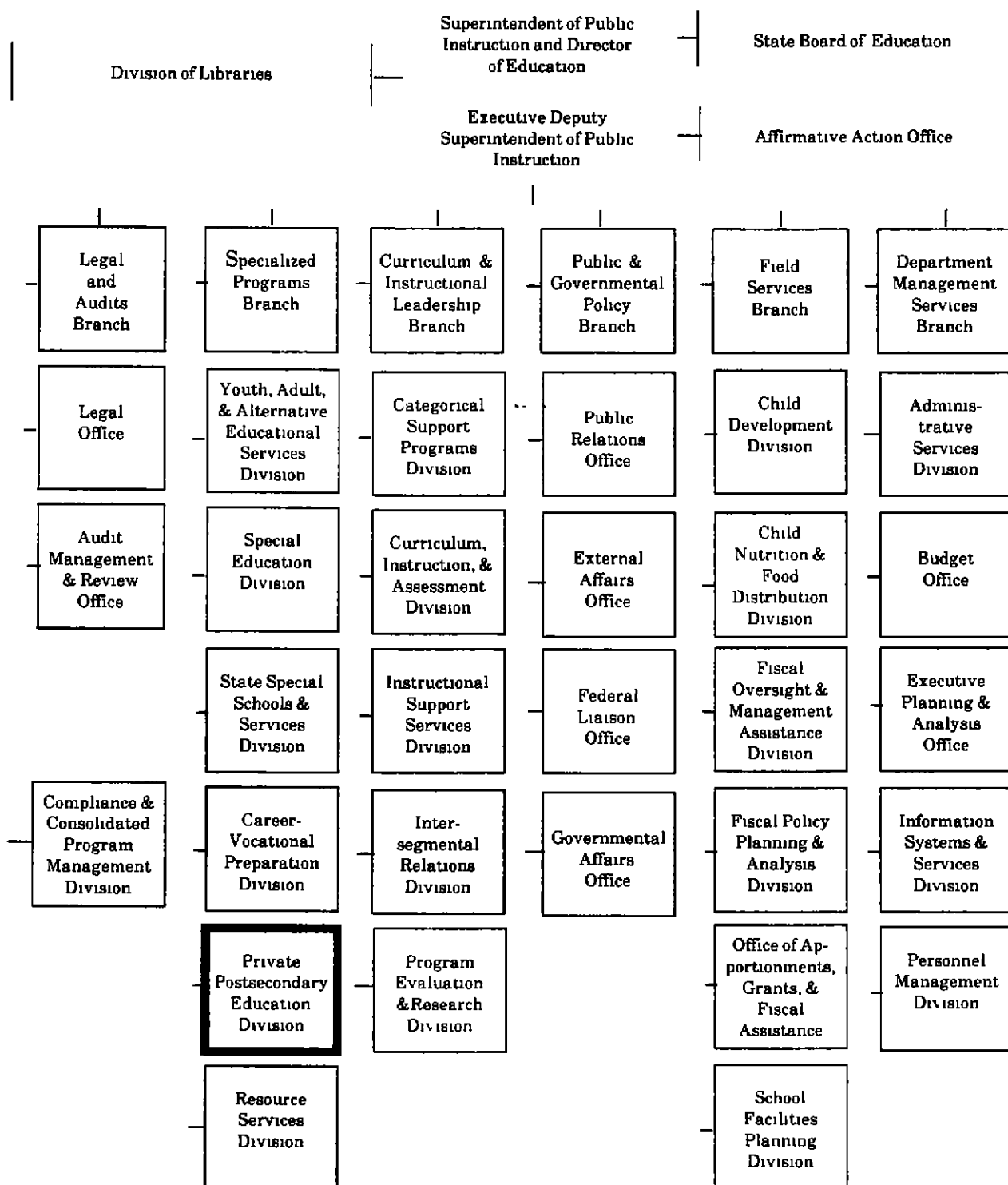
The owner or any of the owners, member of the board of directors, officers, administrators, or instructors has pled guilty to or has been found guilty of any crime other than minor traffic offenses or has entered a plea of nolo contendere to a charge thereof, or has committed unscrupulous acts, made material misrepresentations, committed fraud, or is otherwise unfit to engage in the business of private postsecondary education, unless evidence of rehabilitation or mitigation satisfactory to the superintendent is presented

Any crime, act, or omission alleged as grounds for denial, suspension or revocation under this subsection must relate to the educational services of the particular institution or to the wel-

fare of its students, or to the operation of private postsecondary institutions generally

Conclusion

Despite the major improvements in several sections of the Private Postsecondary Education Law during this decade, those sections that deal with enforcement are unnecessarily weak, and several other sections fail to safeguard the integrity of California degrees. The two that deal with religious exemptions and authorized schools of theology fail with respect to the degrees of these institutions, while the one on approved institutions fails with respect to both approved and accredited institutions.



DISPLAY 6 Source: Hong, 1988, Section 1000

4

Implementation of the Law

CALIFORNIA'S Superintendent of Public Instruction faces a nearly impossible task implementing the Private Postsecondary Education Act of 1977 without adequate resources to do so. As a result, a harried staff in the Private Postsecondary Education Division has had to try to implement the law as best it can, using whatever funds it could find in order to do so.

Thomas A. Neal, the president emeritus of California Coast University, places the blame for this situation not on the law but on the Superintendent. "The legislation that we have now is a deterrent to a diploma mill coming to California because it's just too much trouble. If the schools in California are not measuring up, it's the Superintendent's responsibility to make sure they do. It's that simple."

Yet California may expect too much of its Superintendents in wanting them to protect the integrity of its degrees when, of social necessity as well as political reality, its Superintendents must give priority to solving the problems of California's elementary and secondary schools.

In this part of the report, the Commission examines the implementation of the Private Postsecondary Education Act by the Superintendent and its two other major participants -- the Council for Private Postsecondary Educational Institutions, and the Private Postsecondary Education Division, which operates as a unit of the Specialized Programs Branch in the Department of Education (Display 6, opposite).

Role of the Superintendent

The Private Postsecondary Education Act specifies at least 13 responsibilities for the Superintendent, including to

- establish policy for the administration of this chapter
- prepare annually a proposed budget for the

support of activities of the State Department of Education pursuant to this article

consult with the council prior to instituting any action to deny, suspend, or withdraw approval or authorization of courses or schools pursuant to this article

take into consideration the advice of the council on all matters where the council is authorized to communicate advice to the director

negotiate and enter into interstate reciprocity agreements with similar agencies in other states if, in the judgment of the superintendent, such agreements are, or will be, helpful in effectuating the purposes of this chapter

establish and maintain a Private Postsecondary Education Administration Fund

California's two most recent Superintendents have fulfilled most of these stated responsibilities. But for various reasons, they have avoided three of them -- to "meet with the council at least twice per year" (Section 94305(e), "publish annually for public distribution a directory of all institutions approved or authorized to operate in this state under provisions of this chapter" (Section 94305(g), and "adopt regulations" governing the licensure and authorization process (Section 94305(b)).

- During his tenure, California's most recent Superintendent met once with the Council, but the current Superintendent has yet to do so. He has designated Joseph Symkowick, General Counsel of the Department, as his representative on it. Symkowick, who reports directly to the Superintendent, is one of the Council's 15 voting members, but the Superintendent has not used his own personal presence or the influence of his office to persuade the Council to approve an adequate budget for the Division or support adequate regulation of the industry in its long-run interests.
- Rather than publishing an annual directory of institutions, which the Department used to do when its budget permitted, the Private Postsec-

ondary Education Division now supplies computerized printouts of schools that offer particular programs to anyone who requests such a list. William Noble, assistant director of the Division, explains that the old directory "wasn't worth the paper it was printed on because by the time we would get it printed, it would be several months out of date. When you consider that we open a new school every day and we close one about every other day, six months out of date is very far out of date. We now give students information current within about a week, so the computerized list more than meets the need as specified in the law." The Division deserves commendation for supplying these computerized lists in response to requests -- yet such individually prepared lists are unlikely to meet the need of California's high school guidance counselors, youth officers, and public libraries for basic facts about postsecondary opportunities in the State.

- The Superintendent has sought to develop regulations that would implement the new standards established by the Legislature in recent years for authorized colleges and universities and for accredited out-of-state institutions -- but he missed the Legislature's deadlines for doing so and has yet to submit enforceable regulations to the Office of Administrative Law for adoption.

Given the total responsibilities of the Superintendent of Public Instruction as a publicly elected State constitutional officer, these few omissions may seem miniscule. But combined with the last two Superintendents' inability to find adequate support for the Private Postsecondary Education Division, they have compounded the Division's problems in trying to implement the law and they are allowing questionable non-accredited institutions to operate with inadequate regulation or threat of closure.

Role of the Council for Private Postsecondary Educational Institutions

The Council for Private Postsecondary Educational Institutions was created in 1972 as an advisory body to the Superintendent in order to "provide leadership and direction in the continuing development of private postsecondary education as an in-

tegral and effective element in the structure of postsecondary education in California" and "maintaining and continuing, to the maximum degree permissible, private control and autonomy, in the administration of the private postsecondary schools and colleges in this state" (Section 94304).

The Council has 15 voting members -- four of them appointed by the Superintendent, five by the Senate Rules committee, and five by the Speaker of the Assembly -- plus the Superintendent or his designee. Seven of the appointees must be public members and seven administrators of private institutions. The Council has three additional non-voting ex-officio members: the directors or their designees of three related State agencies -- the Departments of Consumer Affairs and Employment Development, and the Postsecondary Education Commission. It has no official relation with the State Board of Education. Its current chair is Stephen Smith, a public appointee of the Senate Rules Committee.

The Council has sought to fulfill its responsibilities quoted above -- at least as far as non-accredited institutions are concerned. As noted earlier, its 1982 special committee on authorization standards made a major contribution to the improvement of private postsecondary education by adopting standards that emphasized education rather than credentialing. Last September, the Council approved a new protocol to improve its review of visiting committee reports, and it has now adopted a "Statement of Principles, Role, and Leadership" to guide its priorities in the future.

But the Council has seemed to limit its leadership to non-accredited institutions rather than both accredited and non-accredited, and its role is primarily only advisory to the Superintendent. Its advice can be ignored except in one area -- finance. Section 94331 of the Education Code gives the Council veto power over increases in the fees that the Division charges institutions for their authorization or approval. In 1985, the Council rejected the Department's request for a fee increase to finance the new site-visits to authorized institutions (Lawrence, 1985, and Gaylor, 1985). As a result, the Postsecondary Education Commission had to seek an Attorney General's judgment against the Council to be assured of reimbursement for its participation in the visits. In 1986, the acting director of the Division asked the Council to approve fee increases to

enable it to hire needed staff -- calculated by him at two consultants, two analysts, and four support staff -- or fully one-fourth of the Division's staff at the time. Yet the Council refused to permit the increases that year, claiming that the Division would use the increases for other purposes than institutional authorization or approval.

Under Department of Education policy, the Division has been limited to only one-fifth of one lawyer's time in the Department's legal office, but its backlog of legal work has led the Division to ask the Council for a fee increase to fund a full-time attorney. The Council has approved an increase to permit \$29,000 more for legal support during 1990, yet because of no matching funds from the State the other staff shortages remain.

Like any governmental advisory board regarding any industry, the Council has fluctuated in its concern for protecting the short-term versus long-term interest of its industry. It has sought to "encourage privately supported education" -- one intent of the law -- by maintaining openness to innovation and experimentation, and it has recognized that in the long run some restraints on innovation are necessary to achieve the other intent of the law -- "recognition of work completed and degrees and diplomas issued by privately supported institutions." Until recently, it was reluctant to support many restraints.

Some observers contend that it is unrealistic to expect any such board to promote as well as regulate its industry adequately. They cite as one example the federal Atomic Energy Commission's promotion of the atomic energy industry to the neglect of its regulation. Clearly the Council has alternated between its promotional and regulatory emphases. According to one of its members, earlier in the decade "it was pretty much a rubber stamp of the Division, and the Division was a rubber stamp of the industry." Now two-thirds to three-fourths of the members take their oversight role seriously and believe it is more urgent than their promotional role. The industry used to see the Council as its baby, but now it has mixed feelings about it.

Beyond this tension of goals, the Council has suffered a structural problem in its lack of staff. This past fiscal year, the Division left the Council's staff consultant position vacant for financial reasons. As of January 1989, it had a full-time staff consultant

and a half-time stenographer assigned to it for the first time since 1986-87. Yet the Council does not control its staff; instead, it relies on the Director of the Division to select and assign them.

Now that staffing has been restored, the structure and function of the Council warrant review as the Legislature considers changes in the Private Postsecondary Education Act.

- One possibility would be to orient the Council far more completely and exclusively in the direction of "encouraging" privately supported education rather than "regulating" it -- for example, by having its staff and members advise and counsel struggling institutions about how to become or remain authorized or approved, a role that the staff of the Division now perform but that conflicts with their regulatory duties.
- An opposite option would be to assign the Council far more regulatory responsibility beyond that of merely making "recommendations to the Superintendent" about institutional licensure, appeals, and complaints. Properly structured and staffed, it could become the appellate body -- the court of last resort -- for decisions by the Division and the Superintendent. This option would solve one of the present weaknesses in the authorization process: that of having the final step in the process prior to litigation be made by an individual -- the Superintendent -- rather than by a group.

Probably the most common principle of American governance, whether in civil, academic, professional, or corporate government, concerns the three basic governmental functions of legislation, adjudication, and administration. *Groups legislate and adjudicate, while individuals administer.* That is, the most important policy-making and judicial decisions are best made by groups -- be they legislatures, supreme courts, academic senates, or boards of directors -- while administrative decisions are best made by individuals.

California's current licensure process for private postsecondary institutions turns this tradition on its head: it designates the Council as only an advisory body to the Superintendent rather than as a policy-setting body and as an adjudicatory board for resolving disputed administrative decisions.

Role of the Private Postsecondary Education Division

The Private Postsecondary Education Division in the Department of Education implements the law on behalf of the Superintendent. Increasingly the Division has been an anomaly within the Department. When it was first organized as the "Division of Readjustment Education" of the Department at the end of World War II to administer provisions of the first GI Bill, the Department had other higher education duties. It was responsible for the governance of California's state colleges and statewide oversight of its two-year junior colleges. But in 1960 its control of state colleges was assigned to the Trustees of the new California State College System -- now The California State University, and in 1972 its two-year college functions were assumed by the new Board of Governors of the California Community Colleges.

Since then, the Division has been the only unit of the Department that oversees any degree-granting institutions. The Department remains involved in *non-degree* postsecondary education through its work with adult schools and regional occupational centers, and it continues to oversee federally supported vocational education in the community colleges, but like the Superintendent of Public Instruction, it has increasingly devoted the rest of its attention to elementary and secondary education.

Division organization and staff

The Division has had three directors over its past four decades. Herbert Summers for the first three, John H. Peterson for a fourth -- from 1976 to 1986 -- and Joseph P. Barankin since July 13, 1987. William Unger and William Noble have served as acting administrators during the 1980s.

The Division has two assistant directors -- William Noble and Roy Steeves -- who manage its two offices in Sacramento and Los Angeles, respectively. The Los Angeles office is being phased out by attrition but it still consists of five staff, plus Steeves. The Sacramento office has 25 staff positions in addition to Barankin and Noble, but five of these positions were vacant as of last summer (Display 7). Now all have been filled.

Barankin taught English and psychology at San Francisco State before going into private consulting and working for the Legislative Analyst, after which he was hired by the Department of Education in its child development unit. He then reorganized financial reporting in its special education unit before assuming directorship of the Division. He states the task of the Division and his own priorities this way:

We have no other interest in anything other than that California institutions deliver to the consumer what they purport to deliver. We have no other purpose for being.

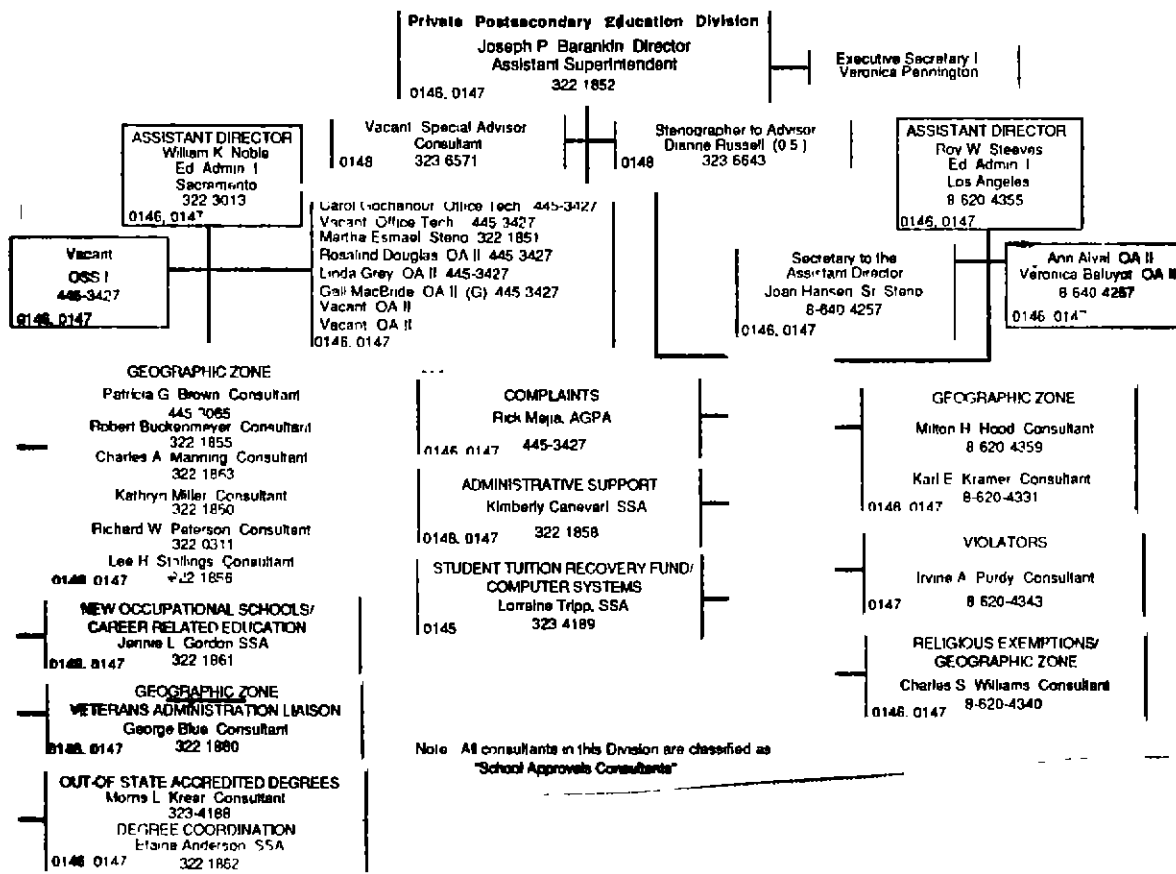
In any field, there are people who have a commitment to what they are doing -- who have a commitment to doing it well, and who have their priorities straight from the point of view of the consumer. I will do whatever it takes to defend and protect those folks and to encourage them to continue doing what it is they do, whether in the public or the private sector.

At the same time, there are those whose interests are different. They are more concerned with other things, whether it's eliminating competition or making a buck at improper cost, or whatever. We need to do what needs to be done about those folks as well, both in the public and the private sector.

Barankin has made major efforts at trying to solve the Division's long-standing problems, beginning with staff development. He has organized staff training sessions and regular staff meetings -- compared to only two all-staff meetings held during the entire decade prior to his appointment. An internal audit conducted by the Department's Audit Management and Review Office indicated some of the problems that Barankin has faced, noting the Division staff had:

- Granted an accredited status to an unlicensed institution without receiving written documentation from the accrediting agency and without questioning a condition for accreditation,
- Retained the institution's status despite a change of ownership, on the assumption that the accrediting agency would know of the ownership change but without written documentation to this effect,

DISPLAY 7 Organization and Staff of the Private Postsecondary Education Division, July 1988



Source: Honig, 1988, Section 1100

- Authorized an institution to award degrees on the basis of a visit to it under its previous owners,
- Maintained more than one file on institutions,
- Failed to date stamp all documents on receipt, and
- Signed the Director's name on correspondence instead of their own (Aspling, 1987, pp 1-4)

Orientation of the Division

Despite the Division's best intentions, protecting the "integrity of degrees" cannot be its first priority. Degree-granting institutions constitute only a small fraction of the more than 2,500 private postsecondary institutions that the Division must oversee, and its activities range far beyond this oversight -- among them, officially licensing some 380

schools each year that are reviewed by other State agencies, handling over 200 career-related education filings a year, approving some 20 changes of ownership or location a month, approving between 100 and 200 personnel applications a month, responding to over a hundred inquiries a month about opening new institutions, providing up to 50 course inventory printouts a month, receiving between 20 and 30 consumer complaints a month, issuing school violator notifications, paying out Student Tuition Recovery Fund claims, staffing the Council for Private Postsecondary Educational Institutions, and maintaining liaison with at least 32 different State and federal agencies on matters of institutional licensure.

Of all these tasks, the Division's largest is to work with the Veterans Administration as a "state ap-

proval agency" to approve courses so that veterans and others can receive VA reimbursement for completing them. Only three other states in the nation -- Nevada, Tennessee, and Wisconsin -- expect that their state approval agencies for veterans' reimbursement will also license their degree-granting institutions. From the Commission's perspective, California's combination of these two duties in the Division without supporting the latter of them -- institutional licensing -- seriously weakens its licensure function and the integrity of California's degrees and diplomas.

As part of the Division's VA approval function, it evaluates courses of all educational institutions in California that seek approval of these courses for veterans' eligibility, including nearly 400 *public* institutions that range from community colleges and universities to adult schools and hospitals, as well as over 800 accredited and non-accredited private trade and technical schools, colleges, and universities.

For each institution, the Division's staff consultants complete a "Title 38 Administrative Report," checking 51 items such as these:

Charges to VA beneficiaries for tuition and fees were the same or less than the charges to other similarly circumstanced students. Yes ☐
No ☐

The facility maintains accurate current and complete records of progress or grades. Yes ☐
No ☐

Is the school catalog routinely distributed to enrollees?

If facilities were toured, do facilities, equipment, and utilization appear satisfactory?

If classroom instruction was observed, was it judged generally educationally adequate?

Staff consultants visit accredited as well as non-accredited institutions for such approvals, and because at least once a year they must visit each institution in which a veteran is enrolled in an approved course, they spend the largest block of their time on veterans' eligibility reviews.

In addition, because most of the courses they review are at vocational and technical levels and do not lead to degrees, most staff consultants come to the

Division without any expertise in higher education other than having been a student. Few have firsthand experience with the process of earning a doctorate. Barankin, Roy Steeves, and three staff consultants are the only members of the Division who have been faculty members. Staff hired from other units of the Department may have particular expertise in school administration or adult education -- but not in degree-level programs. The Division seeks new consultants with knowledge of degree-granting institutions, but few candidates apply with that expertise, so its staff is unlikely to change in that direction dramatically.

The Legislative Analyst recommended in 1980 (p. iii) that the State abandon the "state approval agency" functions of the Department, since these veterans' education duties seemed ineffective in assessing program quality, inefficient in terms of travel time involved, and largely unnecessary because they seemed to duplicate annual visits by VA staff. The Analyst proposed instead that the Legislature direct the Division to concentrate on handling initial institutional reviews, closures, complaints, and in-depth assistance to problem institutions. So far, the Legislature has not agreed.

Funding of the Division

The orientation of the Division is evident from its funding. The Division operates completely on VA funds and on the fees it charges institutions and individuals -- and it pays overhead to the Department from its VA contract. Display 8 shows the amount of its two sources of funds in recent years, during which time VA funds comprised 54 percent of the total. The Division received \$1.116 million from the VA during fiscal year 1987-88 and \$1,212,400 for this year, but the Department charges overhead of 30 percent on this amount, while the federal government pays overhead of only 15 percent -- so the Division had had to make up the other 15 percent by other means.

The source of the Division's funds determines the proportion of time that its staff can devote to issues of institutional licensure. It explains to applicants for its staff consultant positions that 40 percent of their time will be devoted to VA work, compared to 10 percent for institutional evaluations for State authorization or approval. And because the VA dis-

DISPLAY 8 *Expenditures by the Private Postsecondary Education Division, Fiscal Years 1982-1987, by Source of Funds (Dollars in Thousands)*

<u>Fiscal Year</u>	<u>Veterans Administration</u>		<u>Institutional and Individual Fees</u>		<u>Total</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
1982	\$1,402	82%	\$ 299	18%	\$1,701	100%
1983	940	57	715	43	1,655	100
1984	991	56	763	44	1,754	100
1985	1,035	53	936	47	1,971	100
1986	882	38	1,463	62	2,345	100
1987	<u>1,028</u>	46	<u>1,189</u>	54	<u>2,217</u>	100
Total	\$6,278		\$5,365		\$11,643	
Average	\$1,046	54%	\$ 894	46%	\$1,941	100%

Source Private Postsecondary Education Division, California State Department of Education

penses its funds on a "time and costs reimbursement" basis, the Division must justify its claims for reimbursement by its actual services rendered

In the past, the Division unsuccessfully tried to piggy-back some of the costs of its institutional authorization duties onto its federal contract, claiming that the VA benefited from its authorization work. The VA disagreed, and in 1980, it withheld \$328,128 from the Department's existing contracts, claiming that it had paid the Division \$115,878 too much out of its \$697,618 contract during fiscal year 1977 for staff time not directly related to course approvals and \$212,250 too much out of its \$890,000 contract during 1978. The Division and Department appealed the decision and sought to recover some \$100,000 of that amount. After seven years of periodic negotiation, in July 1987 the VA agreed to reimburse the Department a total of \$61,000 of the original \$328,128 -- and the Department accepted this compromise (Wolfertz, 1981, and Veterans Administration, 1987).

Early in the 1980s, the possibility existed of severe funding cuts for the Division from its Veterans Administration contract, since veterans were expected to use their entitlement under the GI Bill by the end of 1989. In 1984, however, Congress passed and

President Reagan signed the "New GI Bill" as a three-year test program that became permanent in 1987. Under this law, members of the armed services on active duty as well as reservists and National Guard members may receive benefits. Thus the Division's funding from the Veterans Administration seems safe indefinitely.

A greater problem for the Division stems from the other major source of its funds: institutional fees. Because the Division lacks any State General Fund support, it must charge high fees in order to support all of its non-veterans activities. In fact, its fees are the highest of any state regulatory agency for higher education in the country. It charges institutions applying for authorization \$3,968, compared to an average of \$228 among the other states that charge any fee at all. Its annual renewal fee thereafter is \$1,904, compared to \$139 among those other states. (In comparison, for an evaluation visit every five years, two-year institutions accredited by the Accrediting Commission for Community and Junior Colleges of the Western Association of Schools and Colleges pay WASC \$3,500 if they have fewer than 2,000 students, \$4,200 if they have between 2,000 and 10,000 students, and \$4,900 if they enroll more than 10,000. They also pay annual dues of either

\$1,500, \$2,000, or \$2,500 depending on their enrollment)

Some non-accredited institutions would be willing to pay the Division even higher fees to ensure an adequate job, but others object to the current fees, which place the staff of the Division in a continually awkward and sometimes conflicted position with these institutions -- on the one hand, feeling that they should advise and counsel them about how to achieve authorization or approval, and, at the same time, judging their adequacy in meeting authorization and approval standards

Conflict of roles

Although the Private Postsecondary Education Act of 1977 has the dual purpose of promoting private education as well as regulating it, the law has never assigned the task of promoting private education to the Division, the Department, or the Superintendent. Instead, it assigns that priority to the Council for Private Postsecondary Educational Institutions, directing it to "provide leadership and direction in the continuing development of private postsecondary education." But because the State has required the Division to fund its regulatory activities on the basis of fees alone, the Division has been obligated to play a role of encouragement and promotion, with unfortunate results to its responsibility of regulation.

The staff of the Division provide extensive consultative services to institutions in order to help them meet the requirements of the law. They spend much of their time helping institutional officials bring their operation up to minimum standards, placing emphasis on servicing applicants for authorization and preparing them for the site-team visit. Some of them not only advise administrators about how to write statements of institutional purpose and educational philosophy -- but actually write these statements themselves for the institutions. As an example, one of the Division's most experienced staff consultants spent months off and on during the mid-1980s helping Columbia Pacific University reorganize itself into three main divisions, refine its student application materials, rethink its curriculum, rewrite its catalog, create a faculty handbook, and compare its courses with such accredited institutions as Berkeley, Stanford,

San Francisco State, San Jose State, and California State University, Hayward.

The Office of the Attorney General claims that such activities of the Division's staff cause problems for it when it must help the Department of Education defend the Superintendent in cases of denied authorization. The Office has difficulty building a case against an institution when the Division's staff members have initially played the role of institutional advisor, helper, and friend -- and only later become the institution's accuser and main Attorney General witness.

It may be too much to expect California's regulatory agency to emphasize regulation when it is the only one in the entire nation that receives no State tax dollars to do so. But how to ensure regulation remains the State's greatest dilemma in trying to maintain the integrity of its private postsecondary education enterprise.

Consequences of underfunding

Lack of State funding not only compromises the staff of the Division in their regulatory role, it frustrates their efforts at regulation. Among the comments of current and former staff members are these: "The pressure from various audiences is so great, you're in a continual state of paranoia. It takes three years to learn the job." "The job is impossible to get on top of." "I feel out on a limb. What do I have in order to back me up in a negative decision?" "The Division needs a full-time attorney and at least twice the staff."

Each staff consultant has between 200 to 300 institutions to oversee -- among the highest load of any major postsecondary oversight agency in the country. According to a Commission survey of the 50 states, the Division has a higher institution-to-staff ratio than any large state with the exception of Illinois, and all the other major industrialized states average half of the Division's load. Nonetheless, secretarial support for the division's staff consultants is limited, and consultants are able to spend only between seven and ten days a month in the field, due to budget limitations. With minimum visits taking one-half day each, they can average only 14 to 20 visits a month.

In the past year, the staff's workload has been compounded by a major reorganization that Barankin instituted to make the Division's decisions more consistent. In 1977, with the passage of the Private Postsecondary Education Act, his predecessor John Peterson had established a "degree team" of four Sacramento-based staff consultants -- Pat Brown, Morris Krear, Charles Manning, and Richard Peterson -- plus a full-time analyst to oversee degree-granting institutions throughout the whole State, while the rest of the Sacramento and Los Angeles staff dealt only with non-degree institutions. Peterson's rationale was that three-fourths of the staff lacked experience evaluating colleges and universities, and the nature of most degree-granting institutions was so much more complex than that of non-degree-granting schools that they required special expertise.

In November 1987, to overcome persistent complaints of inconsistency among the staff consultants, Barankin assigned all but two consultants a geographic region for which they are totally responsible, including acting on complaints and violator follow-ups (Display 9, page 46). (The two other consultants are (1) serving as staff for the Council for Private Postsecondary Education Institutions and (2) implementing licensure of out-of-state accredited institutions.) So far the plan has had mixed results, with some administrators claiming that it has merely shifted inconsistent evaluations from among types of institutions to geographic regions. Thus Catherine Sizemore, the legislative representative of the California Association of Private Schools, has stated, "Depending on where you live in the State and who your consultant is, you will either have an easy time, a difficult time, or an impossible time in getting through your process. So sufficient funds are needed for adequate training of the consultants."

Barankin's plan may eventually result in much improved operation of the Division, but the reassignment and retraining of staff that it has required have at least temporarily increased their workload and job stress. Combined with the increased assignments that the Legislature has imposed on the Division, it has led to a series of questionable decisions based on insufficient planning of campus visits, inadequate staff leadership during visits, unilateral staff actions without the authorization or

concurrence of the other members of the visiting team, and administrative reversal of staff actions.

Implementation of the 1977 Act

Problems that the Division faces in implementing the Private Postsecondary Education Act are evident in its approach to each major category of recognition of degree-granting institutions -- religiously exempt, accredited, approved, and authorized.

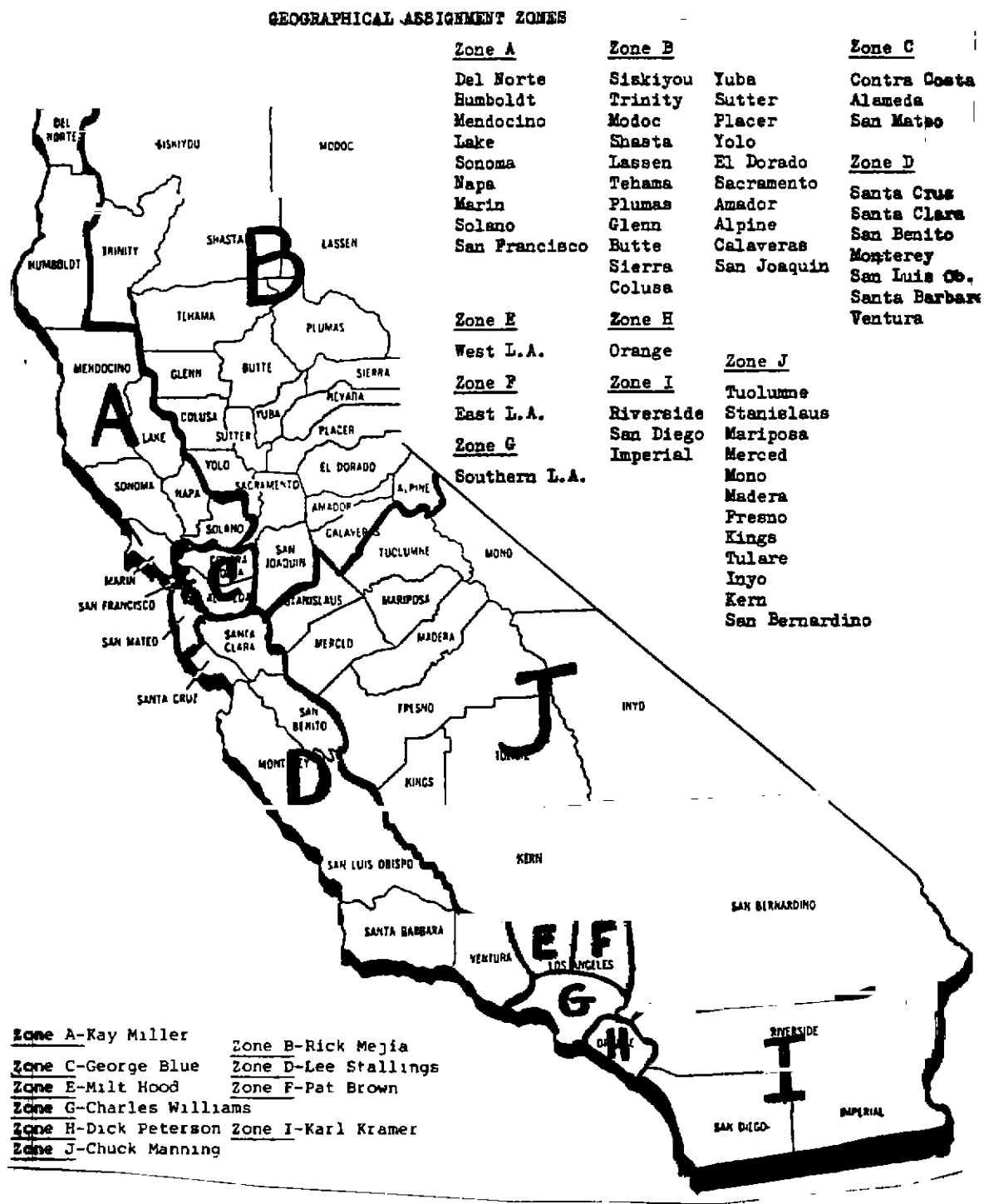
Religious exemptions under Section 94303(b)

The Division receives approximately two requests a month to acknowledge religious exemptions -- those licenses to award degrees without State authorization or approval -- but its staff has no idea how many institutions award degrees in California without making such requests. A staff consultant in the Division's Los Angeles office is the Division's staff member assigned to decide on these exemptions, but he must do so in what little time he has free from overseeing the authorization and approval of some 200 licensed institutions in the Los Angeles basin.

This consultant can only guess at the number of institutions that are issuing diplomas in the State without an exemption. If he hears about an institution operating without authorization, he writes it a letter asking for information and advising its executive of its responsibility to apply for authorization or exemption. If the institution is a church that seems only to be offering certificates to its Sunday School teachers, he is less worried than if it seems to be training nurses or other professionals -- in which case he sends it a second letter, asking it to apply for exemption. If it still fails to respond, he writes a third letter, explaining that the Department of Education may refer the matter to the Attorney General for appropriate action. If he doesn't hear back, he alerts either of the assistant directors of the Division to determine if the case should be sent to the Department's Legal Office.

If an institution applies for religious exemption for its programs, the consultant has it submit its articles of incorporation, the bylaws of the church, an explanation of its membership, its schedule of regu-

DISPLAY 9 Geographic Areas Staffed by Division Staff Consultants, 1988



Source Private Postsecondary Education Division, California State Department of Education, 1988

lar meetings, its statement of religious purpose, an outline of the courses it offers for degrees or certificates, and an explanation of how these courses are part of its religious principles. He explains that when it submits its application, it can consider its programs and degrees to be exempt unless it hears to the contrary.

Feather River University claims in its catalog that it is "registered with the California State Department of Education as a degree-granting institution under California Education Code Section 94303(b)." The Division's consultant has written Feather River's attorney that it should state only that it is an exempt institution, since "an entity operating under the fact of this provision may not state or infer by any means whatsoever that there exists any recognition of the education or documents awarded by the state or any agency or agent thereof" (Private Postsecondary Education Division, 1980). The Division has not heard back from Feather River and has sent its file to the Department's Legal Office for review, but in the meantime Feather River continues to grant degrees and claim registration with the Department.

The Division tries to exempt the courses of any legitimate religious institution that limits its educational offerings "to instruction in the principles of that church or denomination" (Education Code Section 94303(b)), but it questions the claims of other institutions, such as those whose bylaws limit membership in their church only to their board of directors, and those that appear to be liberal arts colleges that simply don't want to bother with authorization. For example, it tries to make sure that the titles of their degree are limited to theology or religion -- "Bachelor of Theology" rather than "Bachelor of Arts in Theology," since any "bachelor of arts" implies a general liberal arts education, with its emphasis on breadth of knowledge and development of wide-ranging theoretical and other conceptual skills. And it acknowledges an institution's exemption if its courses consist primarily of religious subjects such as "History of the Christian Church" rather than standard history or sociology or physical education offerings. The institutions that present most problems are those that claim their orientation is "metaphysics," that all human knowledge is part of their religious principles, or

that offer programs in hypnosis, hypnotherapy, pastoral counseling, and religious education.

Of the 87 institutions that have applied for exemption of their certificates or degrees in recent years (not counting Feather River or Bernadean), the Division has recognized 75 as exempt. Seven of the other 12 are not currently operating. But the following five continue to operate without written determination of exemption, on the theory of automatic exemption.

Logos Bible College and Graduate School, San Diego,
Mount Hermon Baptist Church, Santa Monica,
Samaritan College, Los Angeles,
San Diego Bible College and Seminary, San Diego, and
Truth Bible College, Oakland

And these exempted institutions are offering "arts," "education," and "counseling" degrees.

Alliance College and Seminary of the World
Missionary & Evangelistic Association,
Norwalk Bachelor of Arts in Theology and
Bachelor of Arts in Christian Education (not
Bachelor of Theology and Bachelor of Christian
Education),
Auburn Bible College, Auburn Bachelor of Arts
in Bible (not Bachelor of Bible),
Citadel Baptist Theological Seminary,
Sacramento Bachelor of Elementary
Education,
Concord Christian College, Concord Bachelor of
Counseling/Psychology, and
Southern California Graduate School of Theology
Master of Arts in Biblical Studies, (not Master
of Biblical Studies)

Accredited institutions operating under Section 94310.1

Accredited colleges and universities headquartered in California cause the least work for the Division of any type of institution, despite the fact that a few periodically forget to send in their annual affidavits of accreditation -- the one duty that the State requires of them under Section 94310.1(a) of the Education Code. (Unlike other institutions, they are not required to contribute financially to the support

of the Division) But since 1985, the Division's task under Section 94310 1(b) to license accredited institutions that operate in California but are headquartered elsewhere has increased its workload greatly

A Sacramento-based staff consultant has been assigned the task of overseeing the licensure of these out-of-state institutions. He has led visiting teams to five of the 12 in order to verify that they meet the standards developed as a result of Senate Bill 1036 (1985, Montoya). He hopes to review the remaining seven at a rate of two per month through April of this year, but he has been able to review the first five at a rate of only one a month. He is also responsible for writing regulations based on these standards -- regulations that the law directed the Superintendent of Public Instruction to develop by March 1, 1987 -- but so far, they have not been completed.

A second issue in implementing the law with respect to out-of-state accredited institutions concerns redundancy: the Division's ability to meet the Legislature's intention that licensure be "conducted whenever possible in concert with the institutional review conducted by the regional association." So far, for a variety of reasons this coordinated approach has seldom been possible. According to the Division, no reaccreditation visits were scheduled during the period the new law was to be implemented, and only one association agreed to participate in a State-organized visit -- the rest refusing because they wished to remain outside of government influence. As a result, institutions have had to prepare separate self-study reports and schedule separate visits.

- Kenneth Smith, provost of Antioch University, Los Angeles, states that the North Central Association visited Antioch's San Francisco and Los Angeles operations in January 1988, but the State scheduled its visit for this past November and required extensive revision of Antioch's existing self-study report.
- William Civitello, executive vice president of City University in Santa Clara -- a branch of City University headquartered in Bellevue, Washington -- reports that his institution has had three visits by the Northwest Association of Schools and Colleges in the last five years, including one

in which the Western Association participated, as well as a separate State visit.

Fulfilling the Legislature's intent of coordinated review will require more flexibility in the future by the Division and accrediting agencies than they have demonstrated thus far.

Institutions approved under Section 94310 2

The importance of adequate implementation of California's standards for approved colleges and universities has been highlighted by two recent developments mentioned earlier -- (1) the 1987 decision of the State Personnel Board to accept degrees from State-approved institutions as comparable to those from accredited institutions in allowing candidates to be eligible for State civil-service examinations, and (2) the 1988 request of the Council for Private Postsecondary Educational Institutions that the Superintendent of Public Instruction apply for federal recognition of the State-approval process as comparable to accreditation, thereby opening access of these institutions to federal and State student aid.

In his review of the State-approval process for the Council, Frank Dickey -- former executive of the National Commission on Accrediting -- stated that representatives of three accredited institutions had told him "that the major problems with the approved school process are the 'suspicion that the visiting committees are not sufficiently rigorous in their review,' and that the standards relative to faculty qualifications are not strict enough" (p. 5). Dickey subsequently recommended that Superintendent Honig seek federal recognition of the approval process, but because staff of the Postsecondary Education Commission had also heard of similar problems, the Commission has studied this process with particular attention.

At the center of the problem is the requirement in Section 94310 2 of the Education Code that the curriculum and academic achievement of State-approved institutions be comparable to those of accredited institutions. To ensure this comparability, the law requires that the visiting committees to institutions applying for State approval "be composed of educators from both accredited and state approved institutions."

This requirement would seem to mean that the members of these visiting committees should be educators *employed* by accredited and approved institutions, since they must be knowledgeable about the curricula offered by accredited institutions and the achievement expected of their graduates by these institutions. But some visiting committees have included voting members from other types of institutions and agencies. Questioned about this fact, staff of the Division report that they have interpreted this requirement of the law to mean that committee members must only be *graduates* of accredited institutions or have *at one time* taught in an accredited or State-approved institution. This staff interpretation of the law is not Division policy, according to Barankin.

Another problem exists with the "verifiable evidence" that institutions provide these visiting committees about their graduates' academic achievement compared to that required of graduates of other recognized accredited institutions. The Division has revised its application form to collect this information, and it has held workshops with institutional administrators to ensure that they understand the new form, but institutional response has been spotty. Because of the importance of this evidence in ensuring the comparability of approved and accredited institutions, the Commission has reviewed the applications of the 29 approved institutions on file at the Sacramento offices of the Division. Display 10 on page 50 indicates the type of data that the staff found in those forms.

Of the 29 institutions, only a few appeared to submit the type of data required by the law. As a result, the visiting committees had to rely on other evidence gathered during their visits in order to approve the institution as comparable.

- Two of the 29 institutions provided survey evidence comparing their graduates with those of accredited institutions -- the New College for Advanced Christian Studies (Berkeley), and the Human Relations Institute (Santa Barbara),
- One -- the California Institute for Clinical Social Work (Berkeley) -- had professors at accredited institutions review students' dissertations and approve them as meeting the research standards of other recognized academic institutions,
- And five reported that they had compared the

content of their courses or degree programs with those at accredited institutions -- California Coast University, Center Graduate School, Center for Psychological Studies, International School of Theology, and Simon Greenleaf School of Law.

But the visiting committees were forced to base their recommendations about the other 21 institutions on other evidence than that provided by those institutions, since their evidence did not involve comparisons with accredited institutions. In fact, eight of the applicants -- California Christian Institute, California Graduate School, California Theological Seminary, Newport University, Professional School of Psychology, Rosebridge Institute, Western Institute for Social Research, and World University of America (Ojai) -- appeared to offer no evidence other than the grades students received at the institution or the type of projects they completed. The committee that visited one of them concluded that it did not offer educational services comparable in scope and sequence to minimum standards of comparable degree programs in accredited institutions -- and yet following receipt of more financial information and revision of a degree program into a certificate program, the Division approved it on behalf of the Superintendent.

Alvin Ross, the president of Ryokan College and recent executive director of the California Association of State Approved Colleges and Universities, has said:

Those of us who are operating degree-granting institutions and who consider ourselves serious educators operating legitimate learning centers are constantly having to fight the perception that we are diploma mills because we are non-accredited. The reason is that there has not been a history of good enforcement coming out of a Department that is underfunded to clear out the diploma mills, so we are all tarred with the same brush. As a result, public institutions and accredited independent institutions seldom accept our degrees and credits.

Ross' frustration can be explained in large part by the procedures followed by the Division in implementing Section 94310.2 of the Education Code. Besides those questionable procedures noted above, it has approved some institutions without making sure that they meet its minimum standards of au-

DISPLAY 10 Primary Evidence of Comparability with Accredited Institutions Submitted to the Private Postsecondary Education Division by 29 Institutions Applying for Institutional Approval or Reapproval

Type of Evidence Submitted	Number
Comparison of the institution's courses with those of accredited institutions	5
Surveys of the job placement of the institution's graduates	4
Percentage of graduates who pass professional licensure examinations	3
Surveys of the satisfaction of the institution's graduates with their training or degree	3
Comparative surveys of the institution's graduates and those of accredited institutions	2
Review of student's work by professors at accredited institutions and other professionals	1
Award of credit by accredited universities to graduates of the institution	1
Subsequent satisfactory grade-point-averages of students who transfer to accredited institutions	1
Unclear or unknown evidence	1
No evidence submitted	<u>8</u>
Total	29

Source California Postsecondary Education Commission staff analysis

thorization, such as offering instruction or having equitable tuition refund policies. Its visits are mostly two days in length. Its visiting team members receive no training before their visit. These teams are small -- for example, a six-member team to review a university that offers bachelor's and advanced degrees in business administration, education, engineering, human behavior, law, psychology, and religion. And the Superintendent has yet to adopt enforceable regulations for their use.

California's Department of Education has supported unsuccessful legislation that would extend the approval period of institutions from three to five years -- most recently in Assembly Bill 384 (1988, Peace). The Department may seek similar legislation during this biennium. Given the weaknesses of its approval process, such an extension seems unwarranted.

*Colleges and universities
authorized under Section 94310.3*

The Division has had a major problem in trying to implement the important new standards for auth-

orized colleges and universities enacted in 1984 because of inconsistencies among its staff regarding the importance of these standards. Some consultants have sought to implement all of them faithfully, while others have neglected some -- particularly the most important that separate out credentialing enterprises from actual educational institutions, such as Developmental Guidelines 12B and 12D, which require that "25 percent of each student's total degree program shall be instruction exclusively and directly provided from the institution's curriculum by the institution's faculty," and "The institution shall detail explicit rationale for the awarding of credit and a systematic and rigorous method for evaluating it" (Private Postsecondary Education Division, March 1985, p. 8). These standards have been stated in Title 5 of the California Administrative Code as follows:

An institution shall not grant diplomas or degrees solely on the basis of education taken at, or credit transferred from, another institution or institutions, or solely on noninstructional learning experiences. Diplomas and degrees may be granted on the basis of a combination of instructional and noninstructional learning

experiences for which the institution details explicit rationale for the awarding of credit and systematic and vigorous methods for evaluating it (Section 18803(b))

Why some staff members have seemingly ignored these requirements is unknown. They may not have been aware that at least two nationally accepted means of systematic evaluation of prior learning are available to institutions -- materials from the Council for the Advancement of Experiential Learning, and the College-Level Examination Program. Whatever the reason, at least until recently some have overlooked the requirements.

For instance, one large institution was unable to provide the Division's staff consultant and the other members of its visiting team with any records of faculty members' teaching assignments or of students assigned to instructors, any stated policies regarding the award of transfer credits, any evidence of relation between previous work and the waiver of requirements, or any indication of systematic academic record-keeping in the form of transcripts. One of the visitors -- the dean of students and assistant provost of a Los Angeles institution -- noted its lack of traditional transcripts.

_____'s method of preparing transcripts -- handwritten records previous to graduation, official transcript prepared after graduation -- seems to defeat the whole point of the transcript, i.e., an official record of everything the student does while enrolled at an institution, while it is happening. The implication seems to be that no transcript would be prepared for students who do not manage to graduate (Goldman, 1986, p. 2).

The Division's staff consultant agreed with the other members of the visiting team that the institution met only half of the 111 standards required of it, yet he voted to reauthorize the institution -- as he did similar institutions throughout his tenure in the Division until his recent retirement.

The Division's second problem with the new authorization standards has been meeting the law's deadline of June 1987 for reviewing all previously authorized institutions. It was unable to meet that deadline, in part because of delays occasioned by the need to involve staff of the Postsecondary Education Commission fully in the process, but it has now

reviewed 54 of those that sought reauthorization. According to Barankin, of the 54

- Forty-two have been granted authorization,
- Five were denied authorization, of which two were referred to the Attorney General and two to the legal office of the Department, and one is appealing its denial to the Council for Private Postsecondary Educational Institutions
- Seven are still in process, either because the Division has not yet made a decision or the institution is seeking to take corrective action in response to the visiting team's report -- a process that may involve many months, including a revisit before the team submits its final recommendation to the Superintendent.

An additional 13 have not yet been reviewed under the provisions of Section 94310.3, 12 of them because they are changing their classification to out-of-state accredited under Section 94310.1(b) or to a school of theology under Section 94310.4, and one because it has changed its name and location.

The major unfinished business regarding the new authorization standards is final Office of Administrative Law approval of the enforceable regulations that the Division is supposed to use in authorizing institutions to operate. The Division held a hearing on a second draft of these regulations this past December, and the Division expects the Office to approve them soon. The Commission hopes that institutions denied reauthorization will not be able to challenge successfully their denial on the basis of the lack of these regulations.

Schools of theology authorized under Section 94310.4

Apart from the issues of confusion, inadequacy, and redundancy that this section of the law causes, the major issue concerning its implementation is whether the Division limits authorization to institutions that award degrees "primarily in theology and other areas of religious study," as required in the statute or restrict their education "primarily to courses or curriculum in theology or ministry," as specified in Section 18800 (g) of Title 5 of the California Administrative Code. Clearly, most of the 12 that the Division has authorized thus far do so, but one of them -- Ambassador College in Pasadena -- seems

less a school of theology than a Christian liberal arts college Ambassador awards "associate of arts in theology" and "associate of science in theology" degrees, rather than "associates of theology " It grants a "bachelor of arts in theology" rather than a "bachelor of theology " It offers minors in business administration, elementary education, English, French, German, home economics, mass communication, modern Hebrew, and Spanish And in all of these programs, its arts and science courses equal if not surpass in number those in theology

No one familiar with Ambassador would question its commitment to the liberal arts and to a well-rounded, balanced education No one could question its aim "to provide job entry training in selected vocational and technical areas" such as business and computers and "to provide foundational coursework for further education in professional and technical disciplines" as well as to provide pastors and a God-called ministry for the Worldwide Church of God But questions may be raised about its authorization as a "school of theology" rather than "college" in light of its degree programs -- even if not in light of its name of "Ambassador College" rather than "Ambassador School of Theology "

As other colleges and universities seek to shift their classification from college or university to school of theology, and thereby avoid meeting the educational standards of State-authorized colleges and universities, the Commission believes that the Division should ensure that they award degrees "primarily in theology and other areas of religious study "

Enforcement of the law

"There's so much profit to be made from selling degrees that the risks are worth taking," says a staff member of the Division who has run one of its major regulatory programs And a member of the Council for Private Postsecondary Educational Institutions agrees "If an institution is engaged in criminal activity, the State can shut it down -- snap! -- like that But if it's not living up to what it promises, it is usually very profitable and can hire attorneys to keep it open for years through one appeal after an-

other, and meanwhile offering degrees all the while "

This problem seems to the Commission particularly severe because the Division has been operating on "standards" and "guidelines" that have not been approved by the Office of Administrative Law and are therefore likely to be ruled unenforceable Section 11347.5 of California's Government Code provides that no State agency can enforce any "guideline" which is used by the agency as a regulation unless that agency promulgates that guideline as a regulation under Section 11342 of the Code (Holland, 1986, p. 2)

As noted earlier, the wheels of justice regarding the Private Postsecondary Education Act grind exceedingly slow By the time a staff consultant can document to the satisfaction of the Legal Office of the Department or the Office of the Attorney General that an institution is operating illegally or has not accomplished the corrective measures needed for reauthorization, and the case then comes to a hearing, the consultant may have retired or died More often, consultants lack time to gather enough documentation to permit the Legal Office and the Attorney General to make a strong enough case with which to proceed

According to the Office of the Attorney General, the Division's past procedures in handling renewals of authorization and approval may allow successful challenges to these denials Until recently, the Division allowed institutions that it judged were not in compliance with the law to continue to operate without renewed licenses Yet by treating non-complying institutions like licensees and allowing them to continue to operate without a license rather than renewing their license temporarily with qualification, it has opened itself to charges that it is allowing unlicensed operation by some institutions while seeking to remove the licenses of others

Unfortunately, the courts will generally not enjoin the operation of unlicensed institutions if their operators can show that an agency like the Division has routinely permitted unlicensed operation by other institutions To prevent this possibility, the Division should have renewed institutions' authorization by attaching some such statement as this

Renewal of this license does not constitute a waiver of any deficiencies of which the licen-

see has received notice and does not constitute a finding that the licensee is currently in compliance with licensing requirements. Existing noncompliance may lead to license revocation action.

Such conditional renewals prevent the Division from allowing unlicensed institutions to operate and thereby preserve its power to insist that any institution that is unlicensed under other circumstances must cease operation immediately. These renewals also prevent an institution from claiming that it was in full compliance with the Division's regulations at the time of renewal. In addition, they demonstrate that the Division is complying with the Education Code, since the Division renews such a license only to allow a proper determination of the licensee's status.

The Division has assured the Commission that it is now reauthorizing and reapproving institutions on this basis. Nonetheless, the integrity of California's degrees will be subject to question for years to come if the Division's past renewal methods prevent successful enforcement of present denials.

Conclusion

The State of California does not pay to implement the Private Postsecondary Education Act of 1977, which accounts in part for its inadequate implementation.

The State expects private institutions to fund implementation at rates far higher than those imposed by other states, without weighing the cost of this policy in weakened regulation.

It expects staff in the Private Postsecondary Education Division to regulate these institutions while serving as consultants to them.

It unrealistically expects leadership from the Council for Private Postsecondary Educational Institutions and its Superintendents of Public Instruction in solving its self-imposed difficulties.

In addition it has permitted confusion over the comparability of accredited and State-approved institutions by inadequate review of approved institutions.

As a consequence, the State has compounded the weaknesses of the act itself and raised questions about the meaning of California's academic degrees that may not be laid to rest until the next century.

"How to Earn an American University Degree Without Ever Going to America"

The advertisements reproduced on the opposite page from Summer 1988 issues of the *Hong Kong Economic Journal* depict Pacific Southern University -- a California university that awards bachelor's and masters' degrees in business administration and engineering. Pacific Southern conducts a worldwide program of independent directed study. Its twelve-month Hong Kong program that leads to the Bachelor of Business Administration is "designed specifically to serve the unique needs of business executives in Hong Kong," who pay fees of approximately \$3,800. Its eighteen-month Master of Business Administration program costs Hong Kong executives about \$5,125.

Pacific Southern has been authorized throughout the 1980s to award degrees by California's Superintendent of Public Instruction on the assurance that its statements about itself are accurate.

- Pacific Southern terms the five-story building pictured in its advertisements the "Home of Pacific Southern University." The University at one time rented a suite in that building. For the past three years, however, it has operated out of three rooms on the second floor of a three-story building at 9581 West Pico Boulevard.
- Pacific Southern implies in its advertisements and its admission application booklet, *Off Campus Alternatives to Higher Education*, that it is accredited. Under the heading "Authorization and Accreditation" (Display 12, p. 56), it states that it is "recognized as a legitimate degree granting institution by the National Association of State Approved Colleges and Universities" and "The American Council for University Planning and Academic Excellence." Neither of these organizations, if they still exist, was ever a recognized accrediting agency. Both were created by M. de la Croix de Lafayette, who operated the Association out of the former Icelandic embassy in Washington and the Council out of a post office

box. Both stopped operating there several years ago.

- Despite its membership in the supposed Association, Pacific Southern is not "approved" by the Superintendent of Public Instruction. Instead, it is merely authorized to grant degrees.

These facts might raise some question about the meaning of a Pacific Southern degree, if a prospective student were aware of them.

They might also raise questions about how Pacific Southern could operate 30 different degree programs out of its one suite of offices -- programs as diverse as telecommunications management, economics, computer science, school administration, general engineering, literature, health-care facility management, journalism and mass communications, occupational safety and health, psychology, public administration, and business administration with emphases in accounting, marketing, finance, and industrial management.

These and other facts also raise questions about the meaning of California's authorization process.

- If you call the Private Postsecondary Education Division to ask about Pacific Southern's status, you will be told that Pacific Southern is authorized.
- But if you study the Division's list of authorization actions, you will find that Pacific Southern's authorization has been automatically terminated.
- The Division's file on Pacific Southern fails to clarify this discrepancy. It contains a copy of a November 9, 1987, letter informing the president of Pacific Southern that the institution's authorization had been terminated. It also shows that four weeks later, on December 4, 1987, Pacific Southern's president and attorney met with the director and a staff member of the Division and the legislative representative of the California Association of Private Postsecondary Schools to discuss its continued authorization. It also

DISPLAY 12 *Statement in Pacific Southern University Booklet, "Off Campus Alternatives to Higher Education"*

Authorization And Accreditation

Pacific Southern University is authorized by the California State Department of Education under Section 94310(c) of the Educational Code to enroll students and issue degrees after the

appropriate satisfactory completion of the prescribed coursework, thesis and dissertation requirements.

The University is also recognized as a legitimate degree granting institution by

The National Association of State Approved
Colleges and Universities (NASACU)
3843 Massachusetts Avenue, N W
Washington, D C. 20016

The American Council for University Planning
and Academic Excellence (ACUPAE)
P O Box 9478
Washington, D C. 20016

The address for verification of authorization by the State of California is

Office of Private Postsecondary Education
State of California Department of Education
721 Capitol Mall
Sacramento, California 95814
(916) 445-3427

Transfer Credit Policies

Transfer credit to other university and college programs by graduates of P.S.U. is at the discretion of the receiving college or university. No general statement can be made for any specific institution, however, there are several colleges and universities who have indicated to NASACU that they are willing to evaluate credits earned through independent study. Among those schools are Michigan State University,

Upper Iowa University, Bethany College, The Regent's Program of the State University of New York, Armstrong College and many others. A complete listing is given in the Directory of United States Traditional and Alternative Colleges and Universities published by NASACU, 3843 Massachusetts Avenue N W, Washington, D C. 20016, U.S.A. Copies of the directory are available from the association for a nominal fee.

Source: Pacific Southern University, p 10

indicates that 13 months later -- on January 12, 1989 -- the staff of the Division telephoned Pacific Southern's president to ask what he thought its authorization status was and learned that he assumed "everything was okay" because he had heard nothing further from the Division since that meeting. The file ends with a January 23, 1989, staff recommendation that the Division "render a decision about the school's status and implement that decision."

In short, four years after Pacific Southern applied for reauthorization, it continues to award degrees, while the Division has yet to decide what to do about it.

The case of Pacific Southern epitomizes California's problem in ensuring the integrity of its degrees and diplomas.

Why doesn't California ensure honesty in college and university advertising, catalogs, and degrees?

And why doesn't the Private Postsecondary Education Division enforce Section 94312(b) of the Education Code that prohibits institutions and their agents from utilizing "advertising of any type that is erroneous or misleading, either by actual statement, omission, or intimation"?

Previous pages have offered some clues, including weaknesses in the law itself, apparent lack of concern of State officials, lack of leadership within the private postsecondary education industry, limited funds, lack of staff, and low priorities of the agencies involved

The most immediate and critical reason, however, may be simple confusion by both State officials and educators themselves over educational standards and educational integrity. This confusion seems to stem from disagreement over the meaning of two words that have been at the center of California's regulatory problems for the past two decades -- the phrase *nontraditional education*. Educators in none of the other 49 states embraced the idea of nontraditional education during the 1970s more enthusiastically than those in California, and no state has suffered more problems as a result

Impact of nontraditional education

The nontraditional movement of the 1970s in American higher education -- epitomized by the spread of "external degrees" -- sought to make colleges and universities more responsive to the needs of adult learners. According to a 1975 report by the Commission on Non-Traditional Study, which was chaired by Samuel Gould, chancellor emeritus of the State University of New York, the movement

puts the student first and the institution second, concentrates more on the former's need than the latter's convenience, encourages diversity to individual opportunity rather than uniform prescription, and deemphasizes time, space, and even course requirements in favor of competence and, where applicable, performance (1975, p. xv)

That orientation stimulated a much-needed reassessment of academic convention and tradition, particularly those of class-hour chair-sitting and

credit-hour accumulation. Its structural innovations -- including the Regents External Degree Programs and Empire State College in New York, Thomas A. Edison College in New Jersey, Minnesota Metropolitan University, the Consortium of the California State University, and the University Without Walls of the Union for Experimenting Universities and Colleges -- created new means for Americans to demonstrate their skills and receive academic credit for these skills, but they also complicated the task of detecting educational fraud.

As long as an academic degree signified a certain amount of chair-setting or credit hours as well as a certain level of competence, academic fraud was relatively easy to identify. Everyone recognized that truly "earned" degrees were awarded only after a period of resident study. In contrast to honorary degrees and to purchased degrees, "real" degrees required classroom attendance. Thus the federal government was able to warn foreign nationals about degree mills by proclaiming that "in the United States no reputable institution of higher education confers degrees solely on the basis of correspondence study" (United States Office of Education 1971).

But as the United States accepted the nontraditional idea that academic degrees could signify competence regardless of any period of academic institutionalization -- an idea that stemmed originally from the creation in 1836 of the University of London as the world's first external degree-granting institution -- the traditional distinction between "legitimate and reputable" degrees on the one hand and "fraudulent and meaningless" degrees on the other became murky, and the opportunity for chicanery increased. If one degree assured its holder as many salary increments as another, why not buy the least expensive?

The Commission on Non-Traditional Study itself warned in 1975 that although the nontraditional approach "can stimulate exciting and high-quality educational progress, it can also, unless great care is taken to protect the freedom it offers, be the unwitting means to a lessening of academic rigor and even to charlatanism" (p. xv). And seven years ago, the California Postsecondary Education Commission stated (January 1981, p. 8)

The practice of assessing an individual's work and non-work experiences for learning and

granting college credit toward a degree, a practice found at many (if not most) very reputable universities, is nevertheless quite easily abused. Inappropriately followed and used to excess, the practice has become the basis upon which degree mills have been able to operate with a veneer of legitimacy.

To ensure the integrity of their degrees, the pioneering nontraditional institutions relied on traditional academic standards. They convened groups of professors from other institutions to define the content of the new degrees, write the examinations that were to certify competence, and often read the completed examinations to ensure an outside check on competence. That is, they separated the administration of the institution from academic decisions about individual students, and they sought to avoid basing institutional financing on these academic decisions. Many other institutions have done so since. In California, for instance, some of them have invited professors from established universities to serve as external examiners in assessing the achievement of their graduates, and the Senior Commission of WASC has accredited two of them -- Saybrook Institute in San Francisco and The Fielding Institute in Santa Barbara. In contrast, some other institutions make money by lacking academic requirements and the speed by which they grant degrees. For example, one State-authorized institution several years ago was paying its faculty members a bounty of \$200 for every student they recruited -- but then only \$400 to get the student through the "program," regardless of how much time the faculty member took to do so.

California might have avoided some of this problem had it followed the lead of New York State with its Regents External Degree Program or taken the advice of the California Legislature's 1970-1973 Joint Committee on the Master Plan for Higher Education, which proposed creation of a "fourth" public segment of higher education "to coordinate the efforts of the segments in extended learning and to provide programs under its own auspices when there are needs the segments are not meeting" (1973, p. 57).

California could have avoided the problem still further by strengthening its minimum standards for authorizing degree-granting institutions before 1984.

But it could have avoided the problem even more had some of the staff of the Private Postsecondary Education Division not confused nontraditional means and ends in education. Rather than encouraging innovative means to achieve traditional educational goals, they have tolerated lack of achievement in the name of innovation and experimentation.

One of the Division's staff consultants has tried to help other members of the staff prepare for visits to institutions applying for State approval by explaining that "PPED [the Private Postsecondary Education Division] uses two bipolar terms to describe the range of possible structures which may result from particular philosophical positions -- traditional and nontraditional." He explains the differences as follows:

- Q What is considered a typical traditional structure?
- A Those components which the general public typically associate with conservative institutions: a campus-like setting, well defined and generally practiced curricula, face-to-face instruction, textbooks, examinations, and the like.
- Q What is considered a nontraditional institution?
- A Those components which significantly depart from what the general public associate with conservative institutions -- typically off-campus programs, student-designed curricula, with little or no formal face-to-face instruction, student selected materials, no examination, considerable recognition of life experience and the like.
- Q Why should PPED be concerned with the traditional and nontraditional nature of institutions?
- A Traditional institutions typically meet the superintendent's criteria in noncontroversial terms and approval status is therefore easily explainable. Nontraditional institutions are not easily understood and are therefore difficult to explain to inquirers (Krear, 1987, p. 3-4).

The major weakness of these statements is their claim that traditional institutions use "examina-

tions" while nontraditional institutions do not. To the contrary, for 150 years nontraditional education has been founded on the need for careful, rigorous, and comprehensive examinations. Such assessments have been at the very core of every adequate nontraditional institution since the founding of the University of London. Indeed, examinations are an even more essential characteristic of a nontraditional college or university than a conventional one, since nontraditional institutions have so few other educational characteristics to encourage the achievement of their students.

It was probably inevitable that as part of the nontraditional movement some educators in California would toss the notion of examinations out with the bathwater of tradition. But it was particularly unfortunate that some of the staff of the Division did so. Their assumption that State-approved institutions in California can operate without assessing the achievement or competence of their students explains as much as anything why the integrity of so many California degrees is suspect.

The primary theoretician of nontraditional education in the United States -- Cyril O. Houle, professor emeritus of the University of Chicago and author of *The External Degree* (1973) -- has told the Commission

In the late 1960s and 1970s, American educators created new and challenging forms of teaching and evaluation of accomplishment to overcome the limiting effects of established university patterns that denied the benefits of higher education to many talented people. For want of a better term, these endeavors were loosely called "nontraditional" education. Today I would hope that the term is not a code-word signifying a cheap or spuriously convenient way of getting a diploma or a degree without providing the education that such a credential should signify. Such a usage would be directly contrary to the aspirations of the pioneers of the 1960s and 1970s.

Consequences of inaction

The unfortunate result of California's laxity is evident in the reaction of other institutions to its de-

grees. One of California's largest non-accredited universities applied to the State of Minnesota for permission to offer its external degree program to Minnesota residents. It sent Minnesota officials the project reports by five of its graduates as part of its application. In turn, those officials asked professors at midwestern institutions outside of Minnesota to evaluate the materials. The responses were uniformly negative.

William K. LeBold, Director, Engineering Education Research Studies, Department of Freshman Engineering, Purdue University. Although Mr. ____ may be quite competent as a technician or even as a design engineer, it is inconceivable that on the basis of the Independent Study project he could be awarded the BS degree in electrical engineering. To do so makes a mockery of standards in engineering and higher education.

Irving Spergel, Professor, School of Social Services Administration, University of Chicago. My comments are directed primarily to the student's independent study project or "thesis submitted in fulfillment of the requirements for the Degree of Masters in Marriage and Family Counseling." In my view the student's independent study project does not meet a level and breadth appropriate to the master of arts degree. It also does not meet objectives established by ____ University itself. "On the Master's Level, the degree is awarded on the basis of the student's showing that he or she is able to apply knowledge of the field to real life situations. There is emphasis on depth of knowledge in a specific aspect of the field or fields of study, as applied to some aspect of the world around us." The student's project is too thin and inadequately developed to meet these specific University or more general academic standards for a Master's degree.

Ralph Westfall, Dean, College of Business Administration, University of Illinois at Chicago Circle. You asked that I evaluate the work submitted for completion of a Doctor of Philosophy degree in Business Administration by Ms. _____. The Independent Study project is a report which was initially submitted by the student to a financial institution analyzing the economic feasibility of a particular intermediate care nursing home which was seeking a loan from the financial institution. The report is 15 pages in length and contains a considerable amount

of numerical data on costs and revenues that might be expected with the proposed nursing home. This is probably similar to thousands of like reports prepared analyzing loan applications throughout the country. This is not a Ph D thesis. There is no conceptual problem involved, the project makes no addition to the field of knowledge, and the level of analysis is elementary. There is no way that I could consider this project to represent a Ph D thesis or the overall work that the student has apparently done could represent a Ph D program. To give a Ph D degree on the basis of the work presented here would be an extreme misuse of that academic degree designation.

Harl H. Young, Professor, School of Professional Psychology, University of Denver. I am not sure whether I am to evaluate the Ph D program offering in psychology by _____ University or the specific materials by this particular student. However, I will report to you at the outset that neither is adequate according to commonly accepted standards. The document presented in this case is a grant application. The project itself is due to be completed this month and we have no report of the outcome. The project itself purports to show that those who receive instruction and training in helping battered wives will do so more effectively than those who do not receive such training and instruction. One can hardly consider this study, while obviously timely and of interest, an original contribution to knowledge -- the original intent of the doctoral dissertation. In conclusion, there is no doubt based only on the materials available to me that this is an unacceptable level of quality of work normally expected for the Ph D.

John C. Buhner, Professor of Health Administration and Political Science, Indiana University Medical Center. I understand that you would like an evaluation as to whether the work submitted by Mr. _____ constitutes a reasonable equivalent to that gener-

ally required for the award of a master's degree in health services administration. On the basis of the materials you sent me, I could not make such an evaluation, the work by Mr. _____, while it has some value, is in my opinion (1) strictly undergraduate in nature, (2) limited largely to epidemiological, historical, and administrative factors, (3) lacks the content and quality I would regard as minimal for graduate work beyond the baccalaureate level, and (4) does not appear to me to constitute an equivalence for any higher education degree or certificate.

In my opinion, to recognize officially a degree such as that under discussion here is to make a mockery of over a century of progress in developing specialized programs of academic and professional graduate study. To certify such degrees to the public as valid evidence of academic or professional preparation is fraudulent and a miscarriage of public service in higher education. Of equal concern to me is the fact that individuals such as Mr. _____ are used in what seems to me to be a blatant money-making scheme playing upon legitimate ambitions of individuals and upon appropriate expectations by the public.

As a result of these evaluations, Minnesota has denied permission for this California State-approved university to enroll Minnesota residents. Meanwhile the university claims in its brochures that "scholars around the country have consistently rated the quality of work done by [our] students as equal to or better than that produced by students attending traditional colleges and universities."

Without improving the implementation of its laws governing private postsecondary education, California will retain its reputation throughout the country and the world for tolerating questionable credits and discount diplomas, and it will continue to be unable to ensure the integrity of its degrees and the protection of its citizens who depend on that integrity.

Appendix A

Private Postsecondary Education Act of 1977, as Amended

NOTE The following text is reproduced from *West's Annotated California Codes, Education Code Sections 87000 to End*, pp 602-637, and *Volume 28B, 1989 Cumulative Pocket Part* St Paul West Publishing Co , 1989, pp 166-198

Chapter 3 is a portion of Part 59 of Division 10 of the Code's Title 3 on Postsecondary Education

CHAPTER 3 PRIVATE POSTSECONDARY INSTITUTIONS

ARTICLE 1 GENERAL PROVISIONS

§ 94300 Short title

This chapter shall be known and may be cited as the "Private Postsecondary Education Act of 1977 "

§ 94301 Legislative intent

It is the intent of this Legislature to encourage privately supported education and protect the integrity of degrees and diplomas conferred by privately supported as well as publicly supported educational institutions

It is also the intent of the Legislature to encourage the recognition by tax-supported institutions of work completed and degrees and diplomas issued by privately supported institutions, to the end that students may have equal opportunities for equal accomplishment and ability

In the present period, the need for educational services is so great that it cannot be met by tax-supported institutions alone The contribution of privately supported educational institutions to the preservation of our liberties is essential These ob-

jectives can best be achieved by protecting the integrity of degrees and diplomas issued by such institutions

§ 94302 Definitions

As used in this chapter, unless the context requires otherwise

(a) "Agency" means a business entity established for the purpose of recruiting students for enrollment in a private postsecondary school as defined in this chapter, and any other business entity engaged in that activity with the exception of the educational institution itself

(b) "Agency authorization" means a written document issued by the Superintendent of Public Instruction authorizing a business entity to engage in the recruitment of students for enrollment in private postsecondary institutions authorized or approved under this chapter

(c) "Agent" means any person who, at a place away from the principal school premises or site of instruction, whose primary task is to serve as a paid recruiter, while owning an interest in, employed by, or representing for remuneration or other consideration a private postsecondary educational institution located within or without this state, offers or attempts to secure enrollment of any person within this state or accepts application fees or admissions fees for education in an institution Administrators and faculty who make informational public appearances are exempted from this definition

(d) "Agent's permit" means a nontransferable written document issued to an agent pursuant to the provisions of this chapter by the Superintendent of Public Instruction

(e) "Approval to operate" means that the institution so approved has met recognized and accepted standards as determined by the Superintendent of Public Instruction in carrying out the provisions of

this chapter to operate a postsecondary educational institution in this state

(f) "Authorization to operate" means that the institution so authorized has been granted permission by the Superintendent of Public Instruction to operate as a postsecondary educational institution

(g) "Council" means the Council for Private Postsecondary Educational Institutions established pursuant to Section 94304

(h) "Degree" means any "academic degree" or "honorary degree" or title of any designation, mark, appellation, series of letters or words such as, but not limited to, associate, bachelor, master, doctor, or fellow which signifies, purports, or is generally taken to signify satisfactory completion of the requirements of an academic, educational, technological, or professional program of study beyond the secondary school level or is an honorary title conferred for recognition of some meritorious achievement

(i) "Diploma" means any "diploma," "certificate," "transcript," "document," or other writing in any language other than a degree

(j) "Education" or "educational services" includes, but is not limited to, any class, course, or program of training, instruction, or study

(k) "Superintendent" refers to the Superintendent of Public Instruction

(l) "To offer" includes, in addition to its usual meanings, advertising, publicizing, soliciting, or encouraging any person, directly or indirectly, in any form, to perform the act described

(m) "To operate" an educational institution, or like term, means to establish, keep, or maintain any facility or location in this state where, from, or through which educational services are offered or educational degrees or diplomas are offered or granted

(n) "Postsecondary educational institution" or "institution" includes, but is not limited to, an academic, vocational, technical, business, professional, home study school, college, or university, or other organization (comprised of a person, firm, association, partnership, or corporation) which offers educational degrees or diplomas, or offers instruction or educational services primarily to persons who have completed or terminated their secondary ed-

ucation or who are beyond the age of compulsory high school attendance. Auxiliary organizations of the California State University and Colleges are not included within this division and are not governed by this article

(o) "Vocational objective" means an objective which is ordinarily attained upon completion of a course which qualifies the person or leads to employment in a recognized occupation listed in the latest "Dictionary of Occupational Titles," issued by the United States Department of Labor, or declared by that department to be eligible for such listing, or leading to an employable objective determined by the council

(p) "Professional objective" means an objective which ordinarily is attained upon the completion of a curriculum or program of studies leading to a recognized profession or semiprofession

(q) "Educational objective" means an objective which ordinarily is attained upon the completion of a program consisting of any curriculum, or any combination of unit courses or subjects offered by an educational institution which normally leads to earning a college degree

(r) "Technological objective" means one which is ordinarily attained upon completion of a curriculum or program of studies which emphasizes the application of principles to the solution of practical problems rather than the theoretical development of those principles

(s) "Accredited" means that an institution has been recognized or approved as meeting the standards established by an accrediting agency recognized by the federal Department of Education or the Committee of Bar Examiners for the State of California. It shall not include those institutions which have applied for accreditation and are candidates for accreditation or have provisional accreditation

(t) "Occupational skill, knowledge, or ability" means any fundamental or advanced competency which increases an individual's employability or potential, effectiveness, or expertise in a vocation or profession, including, but not limited to, self-employment, business, or financial ventures

(u) "Instruction" includes any specific, formal arrangement by an institution for its enrollees to participate in learning experiences wherein the institution's faculty or contracted instructors present a

planned curriculum appropriate to the enrollee's educational program

(v) "Certificate of authorization for service" means a written, nontransferable document issued by the superintendent authorizing an individual to be an instructor or administrator in any private postsecondary institution in California which is approved under subdivision (d) of Section 94311

§ 94303 Exemption from provisions of chapter

The following education and educational institutions, and these only, are exempted from the provisions of this chapter

(a) Education solely avocational or recreational in nature, and institutions offering this education exclusively

(b) A nonprofit institution owned, controlled, and operated and maintained by a bona fide church or religious denomination if the education is limited to instructions in the principles of that church or denomination, or to courses offered pursuant to Section 2789 of the Business and Professions Code,* and the diploma or degree is limited to evidence of completion of that education, and the meritorious recognition upon which any honorary degree is conferred is limited to the principles of that church or denomination

(c) Institutions exclusively offering instruction at any or all levels from preschool through 12th grade

(d) Postsecondary educational institutions established, operated, and governed by the federal government or by this state or its political subdivisions

(e) Education sponsored by a bona fide trade, business, professional, or fraternal organization predominantly for that organization's membership

(f) Except for the provisions of subdivision (b) of Section 94311, Sections 94312, 94320, 94321, and

* Section 2789 of the Business and Professions Code exempt from the provisions of Chapter 6 on nursing of the Business and Professions Code "any school or schools conducted by any well recognized church or denomination for training the adherents of such church or denomination in the care of the sick in accordance with its religious principles "

94332, paragraph 1 of subdivision (a) and subdivisions (b) to (f), inclusive of Section 94333, Sections 94335 to 94339, inclusive, 94342, and 94343, institutions or persons approved by the Federal Aviation Administration, or its successor agency, offering flight education and instruction

§ 94304 Council for private postsecondary educational institutions

(a) There is in the State Department of Education a Council for Private Postsecondary Educational Institutions consisting of 15 members, selected as follows

(1) The superintendent or his or her designee shall be a member, and the superintendent shall appoint four members. Two shall be members of the general public, one with a strong interest in developing private postsecondary education, and one representative of business that employs persons in positions requiring vocational or technical education. Two shall be administrative heads of institutions, one representing a nonaccredited degree granting school operating pursuant to subdivision (2) or (3) of Section 94310 and one representing a nonaccredited, non-degree granting school operating pursuant to subdivision (d) of Section 94311

(2) The Senate Rules Committee shall appoint five members. Two shall be members of the general public, one with a knowledge of private vocational education, and one representative of a labor organization that represents persons with vocational or technical training. Three shall be administrative heads of institutions, one representing a nonaccredited, degree granting school operating pursuant to subdivision (2) or (3) of Section 94310, one representing a non-degree granting school operating pursuant to subdivision (c) or (d) of Section 94311, and one representing an accredited out-of-state postsecondary educational institution operating in California pursuant to paragraph (b) of subdivision (1) of Section 94310

(3) The Speaker of the Assembly shall appoint five members. Three shall be members of the general public with an interest in developing private postsecondary vocational and technical education. Two shall be administrative heads of institutions, one representing an accredited, non-degree granting

school operating pursuant to subdivision (c) of Section 94311, and one representing a nonaccredited, non-degree granting school operating pursuant to subdivision (d) of Section 94311

(4) In addition, the following shall serve as ex officio members of the council

(A) The Director of the Department of Consumer Affairs, or his or her designee

(B) The Director of the Department of Employment Development, or his or her designee

(C) The Director of the California Postsecondary Education Commission, or his or her designee

Ex officio members have no vote

It is the intent of the Legislature that the council shall provide leadership and direction in the continuing development of private postsecondary education as an integral and effective element in the structure of postsecondary education in California. The work of the council shall at all times be directed toward maintaining and continuing, to the maximum degree permissible, private control and autonomy in the administration of the private postsecondary schools and colleges in this state

(5) Administrative heads of institutions appointed under paragraphs (2) and (3) may be selected from lists submitted by an association or associations of institutions governed under this chapter which has at least 30 members

(6) Public members appointed under paragraphs (1), (2), and (3) shall not be retained or employed by any secondary or postsecondary educational institution or system when appointed or during their term of appointment

(b) The first members shall be appointed on or before January 15, 1982, and the superintendent shall designate the date of the first meeting of the council

The terms of office of the members of the council shall commence on January 15, 1982, and the members shall enter upon their terms of office by lot so that the terms of five members shall expire on January 15, 1983, the terms of five members shall expire on January 15, 1984, and the terms of five members shall expire on January 15, 1985

The terms of the members of the council shall be four years. No appointee shall serve on the council for more than eight consecutive years

Any member of the council who misses two consecutive regular meetings of the council without cause forfeits the office, thereby creating a vacancy

At the first meeting of the council, and annually thereafter, the members shall select one of their number to serve as chairperson and one to serve as vice chairperson. The vice chairperson shall preside over all meetings of the council in the absence of the chairperson

(c) Any vacancy on the council shall be filled in the same manner as provided for appointment of council members in subdivision (a). The appointee to fill a vacancy shall hold office only for the balance of the unexpired term

(d) Appointed members of the council shall receive no compensation but shall receive their actual expenses for attendance at official council meetings, and when on official council business approved by the Superintendent of Public Instruction, not to exceed State Board of Control expense allowances

(e) The council shall determine the time and place of council meetings which shall not be fewer than six times in each calendar year

(f) The council shall

(1) Advise the superintendent on the establishment of policy for the administration of this chapter

(2) Establish a process, in cooperation with the superintendent, for the development and promulgation of rules and regulations. The process developed should not be inconsistent with the provisions of this chapter and allow for the input of consumers and institutions

(1) Adopt procedures necessary or appropriate for the conduct of its work and the implementation of this chapter consistent with rules and regulations

(4) Review minimum criteria utilized by the superintendent in conformity with subdivisions (2), (3), and (4) of Section 94310 and subdivision (d) of Section 94311 and Section 94312, including quality of education, ethical and business practices, health and safety, and fiscal responsibility, which applicants for approval to operate, or for an agent's per-

mit, shall meet before the approval or permit may be issued, and to continue the approval or permit in effect. Criteria to be developed hereunder shall be such as will effectuate the purposes of this chapter but will not unreasonably hinder legitimate education innovation.

(5) In cooperation with the superintendent, prepare and submit an annual report to the California Postsecondary Education Commission to be used by the commission for the review and inclusion in the annual update of the five-year plan for postsecondary education.

(6) Review appeals and complaints from educational institutions, agents and consumers. Make recommendations to the superintendent regarding the disposition of these appeals and complaints.

(7) Represent private postsecondary educational institutions on the State Occupational Information Coordinating Committee.

(8) Advise the superintendent regarding the appropriate action to be taken in the event that the visiting committee does not reach a unanimous recommendation on an institution's application for authorization pursuant to subdivisions (3) and (4) of Section 94310.

(g) All actions with the exception of those regarding the operating procedures of the council shall be adopted according to the affirmative vote of the majority of the council and shall be in writing.

§ 94304.5 Special committee; standard for review and authorization; development; report by commission to legislature

(a) The Council for Private Postsecondary Educational Institutions shall impanel a special committee of technically qualified persons to develop explicit standards to be used in the review and authorization of private postsecondary institutions which operate pursuant to subdivision (3) of Section 94310 as it existed on January 1, 1982. These standards shall

(1) Be sufficiently comprehensive so that a determination can be made that the institution has the facilities, financial resources, faculty, and other necessary educational expertise and resources to afford students and require of students the comple-

tion of a program of education which will prepare them for the attainment of a professional, technological, or educational objective.

(2) Include a method of determining if the course of study for which the degree is granted achieves its professed or claimed educational objective. Members of this committee shall be administrative heads of institutions operating pursuant to subdivision (3) of Section 94310, as of January 1, 1981.

(b) Members of the special committee shall be selected by the Chair of the Council for Private Postsecondary Institutions, from names submitted by private school associations operating in California as of January 1, 1981. Each private school association which represents institutions operating pursuant to subdivision (3) of Section 94310 shall nominate three individuals to serve on the special committee. The chair of the council shall select from among these nominees so that each association has two representatives on the special committee. The Director of the California Postsecondary Education Commission, or his or her designee, shall also be a member of this special committee.

(c) The special committee shall submit these authorization standards to the council prior to September 1, 1982, for the council's review. If the council determines that the standards effect the purposes of this chapter, the council may recommend adoption of the standards as the requirements for authorization to grant degrees pursuant to subdivision (3) of Section 94310. The council shall take action to accept or reject the standards proposed by the special committee prior to January 1, 1983.

(d) Prior to February 1, 1983, the California Postsecondary Education Commission shall report to the Legislature on the extent to which the proposed standards effect the purposes of this chapter. The commission shall

(1) Review the adequacy of these proposed standards in providing a method of determining if the course of instruction for which the degree is granted achieves its professed or claimed educational objective.

(2) Compare these proposed standards to provisions which exist in other states.

(3) Determine the extent to which the proposed standards are sufficiently comprehensive and com-

plete so that they protect the integrity of degrees awarded by those institutions

(e) The members of the special committee shall serve without compensation, and shall not receive any travel costs or per diem

§ 94305 Duties of superintendent

It is the intent of the Legislature that the superintendent meet regularly with the council, and that the superintendent work cooperatively with the council in providing leadership and direction in the continuing development of private postsecondary education

The superintendent shall do all of the following

(a) Establish policy for the administration of this chapter in cooperation with the council

(b) Adopt regulations in cooperation with the council not inconsistent with this chapter governing the exercise of authority comprised by this article which shall be adopted in accordance with Chapter 3 5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code

(c) Prepare annually a proposed budget for the support of activities of the State Department of Education pursuant to this article The proposed budget shall be presented to the council for its review and recommendations

(d) Consult with the council prior to instituting any action to deny, suspend, or withdraw approval or authorization of courses or schools pursuant to this article

(e) Meet with the council at least twice per year Take into consideration the advice of the council on all matters where the council is authorized to communicate advice to the director

(f) Impanel special committees of technically qualified persons to assist the superintendent and the council in the development of standards for education and educational institutions and the evaluation of any application or institution pursuant to this chapter The special committees shall make such inspections and studies as may be necessary to enable them to advise the council and the superintendent in regard to action to be taken in any particular situation Members of these special com-

mittees shall not be connected in any way with a school which is the subject of inspection or investigation The members of the special committees shall serve at no expense to the state The actual travel expenses incurred by each member of a special committee shall be reimbursed by the institution which is the subject of inspection or investigation

(g) Publish annually for public distribution a directory of all institutions approved or authorized to operate in this state under provisions of this chapter The directory shall contain as a minimum, the names and addresses of these institutions, together with a notation of the statute section or sections under which the institution has been authorized or approved

(h) Negotiate and enter into interstate reciprocity agreements with similar agencies in other states if, in the judgment of the superintendent, such agreements are, or will be, helpful in effectuating the purposes of this chapter However, nothing contained in any such reciprocity agreement shall be construed as limiting the superintendent's powers, duties, and responsibilities with respect to investigating or acting upon any application for issuance or renewal of any agent's permit or with respect to the enforcement of any provision of this chapter or any rule or regulation promulgated under this chapter The agreements shall not include institutions authorized to operate under subdivision (b) of Section 94311 nor be in conflict with agreements arranged by the state licensing boards authorized to negotiate the agreements through provisions of the Business and Professions Code

(i) Receive, investigate, as he or she may deem necessary, and act upon applications for authorization or approval to operate educational institutions and applications for agent's permits

(j) It is the intent of the Legislature that the superintendent develop, with the cooperation of the council, a program or procedure requiring institutions subject to the provisions of this section to provide evidence assuring the due and faithful performance of agreements or contracts with students and the refund of unearned tuition in the event the school ceases to exist or provide instruction

(k) Request the Attorney General to bring actions pursuant to paragraph (2) of subdivision (a) of Sec-

tion 94339 which the superintendent deems are necessary to enforce the provisions of this chapter

§ 94305.5 Injunction of operation of unapproved or unauthorized institution or its agent

The superintendent may bring a civil action, in his or her name, to enjoin the operation of a postsecondary educational institution that has not been approved or authorized to operate pursuant to Sections 94310 or 94311, or has not filed affidavits pursuant to Section 94315

The superintendent may bring a civil action to enjoin the agent of a postsecondary educational institution or any person or entity from conducting, maintaining, or aiding and abetting the operation of a postsecondary educational institution that has not been approved or authorized to operate pursuant to Sections 94310 or 94311, or has not filed affidavits pursuant to Section 94315

The legal office of the Department of Education may represent the superintendent in actions brought pursuant to this section

§ 94306 Law applicable to existing corporations; prior law; prior nonprofit law

(a) Every corporation authorized to issue shares of stock and organized or existing under this article in effect on December 31, 1981, is subject to and deemed to be organized under the General Corporation Law (Division 1 (commencing with Section 100) of Title 1 of the Corporations Code)

(b) Every nonprofit corporation without authority to issue shares of stock and organized or existing under this article in effect on December 31, 1981, is subject to and deemed to be organized under either Part 2 (commencing with Section 5110), Part 2 (commencing with Section 7110), or Part 4 (commencing with Section 9110) of Division 2 of Title 1 of the Corporations Code, dependent on the application of Section 9912 of the Corporations Code

(c) For the purposes of Sections 2300 and 9910 of the Corporations Code, this article is the "prior law" or "prior nonprofit law" and January 1, 1982,

is the effective date and the transition provisions shall be applied by reference to that effective date

ARTICLE 1.5

ACADEMIC AND HONORARY DEGREES

§ 94110 Requirements for issuing, conferring or awarding degrees

No institution may issue, confer, or award an academic or honorary degree unless the institution meets the requirements of at least one of the sections of this article

§ 94310.1 Accreditation by national or regional accrediting agency; duties of superintendent; standards and procedures for onsite review and licensure

The institution meets the requirements of one or both of the following subdivisions

(a) The institution, which at the time of the issuance of a degree, has accreditation of the institution, program, or specific course of study upon which the degree is based by a national accrediting agency recognized by the United States Department of Education, the Western Association of Schools and Colleges, or by the Committee of Bar Examiners for the State of California The institution shall file with the superintendent an annual affidavit of the administrative head of the institution stating that the institution is so accredited Institutions authorized to operate under this subdivision may issue diplomas and certificates as well as degrees

(b) Any public or private postsecondary educational institution incorporated in another state that has accreditation from a regional accrediting association recognized by the United States Department of Education at the time of the issuance of a degree, and that is licensed by the superintendent, may issue degrees, diplomas, or certificates Accredited public or private postsecondary educational institutions incorporated in another state shall not offer

degrees, diplomas, or certificates in California unless they comply with the provisions of this section

(1) The superintendent shall not license an institution to issue degrees, diplomas, or certificates pursuant to this subdivision until he or she has conducted a qualitative review and assessment of and has approved, the operations of the institution in California, and the superintendent has determined all of the following

(A) The institution has financial resources to ensure the capability of fulfilling the program or programs for enrolled students

(B) The faculty includes personnel who possess appropriate degrees from institutions accredited by a regional accrediting association recognized by the United States Department of Education in the degree major field or fields offered, in sufficient number to provide the educational services

(C) The education services and curriculum clearly relate to the objectives of the proposed program or programs, which are comparable programs offered by accredited institutions already operating in this state

(D) The facilities are appropriate for the defined educational objectives and are sufficient to ensure quality educational services to the students enrolled in the program or programs

(E) The institution has verifiable evidence of academic achievement comparable to that required of graduates of other accredited institutions operating in this state for the program or programs upon which the degree, diploma, or certificate is based

(2) All institutions incorporated in another state that were offering educational programs in California and were authorized to operate pursuant to subdivision (a) on December 31, 1985, shall have the option until and including December 31, 1989, of continued operation in California pursuant to authorization under subdivision (a) or through licensure pursuant to this paragraph

(3) Except as otherwise provided by paragraph (4), the superintendent shall grant licensed status under this section for a period consistent with the postsecondary educational institution's home regional accrediting association, but not to exceed five years

It is the intent of the Legislature that the postsecondary educational institution urge its home regional accrediting association to participate in the licensure process by the state, and that the state's licensure process be conducted whenever possible in concert with the institutional review conducted by the regional association

(4) The superintendent shall grant licensed status under this subdivision until December 31, 1987, for all other institutions incorporated in another state that offered educational programs in California prior to July 1, 1985, that file with the superintendent within 30 days from October 1, 1985, all of the following information

(A) A copy of the institution's most recent self-study report prepared for the institution's home regional accrediting association, as well as a copy of the institution's team report prepared by the accrediting association

(B) A list of the locations of all of the operations of the institution in California

(C) A list of all degree, diploma, and certificate programs offered by the institution in California, as well as the curriculum, instruction, and faculty utilized in each program

(D) A list of degrees, diplomas, and certificates offered by the institution

Institutions licensed under this paragraph shall offer in California only programs that the institution can document to have been acknowledged and favorably reviewed by the home regional accrediting association

(5) (A) The Director of the California Postsecondary Education Commission shall establish a special committee of persons with demonstrated knowledge of both regional accrediting standards and procedures and the special demands of off-campus programs. The committee shall include representatives from the State Department of Education, institutions incorporated in other states that offer educational programs in California, and public and private California colleges and universities

(B) The committee shall develop proposed standards and procedures to be used in the onsite review and licensure of institutions applying for licensure under this subdivision subject to the princi-

ple that educational innovation and competition shall not be hindered unreasonably

(C) The committee shall report to the California Postsecondary Education Commission and the Superintendent of Public Instruction by November 1, 1985, regarding the proposed standards and procedures. The commission shall take action on the proposed standards within 60 days of receipt of the report by the special committee. This subdivision shall become inoperative on January 1, 1987, if the commission has not adopted standards and procedures proposed by the special committee by that date.

(D) The committee shall utilize the following principles in the development of these standards and procedures:

(i) Within two years from the enactment of this statute, the State Department of Education shall review the operations of all institutions operating under the provisions of this subdivision section.

(ii) Following the initial state review, subsequent onsite reviews by the superintendent shall be conducted whenever possible in conjunction with institutional reviews by the regional accrediting association. However, if there is substantial evidence that the institution is not in compliance with state standards, the superintendent may initiate a special review of the California operations of the institution.

(iii) Each institution shall submit a single application for all operations in California, and the application shall include a single fee which is institution-based and not sitebased.

(iv) The superintendent shall develop a procedural rationale to justify the number of sites to be visited by the state in the review of the institution's operations in California.

(v) The purpose of the onsite review by the superintendent shall be to determine that operations by the institution in California meet the minimum state standards identified in statute.

(vi) The standards and procedures shall not unreasonably hinder educational innovation and competition.

(E) Prior to March 1, 1987, the superintendent shall utilize all of the standards and procedures recommended by the special committee and acted upon

by the commission to develop regulations for the licensure of all institutions operating pursuant to this subdivision.

The regulations shall provide for consideration of the accredited institutions' stated educational goals, purposes, and objectives, in conducting the licensure review of the California operations of out-of-state based institutions.

These regulations, which shall be developed by the superintendent in cooperation with the Council for Private Postsecondary Educational Institutions, shall include a formula to determine the institutional licensure fee and the number of sites to be visited by the state.

The regulations developed by the superintendent shall include all of the procedures and standards recommended by the special committee and acted upon by the commission. Prior to December 31, 1987, the superintendent shall utilize these regulations to review all institutions operating pursuant to this subdivision. In conducting the licensure review of the operation of out-of-state accredited institutions in California, the superintendent shall interpret the regulations based upon each institution's accredited educational purposes and objectives.

§ 94310.2 Institutional approval by superintendent to award or issue degrees; qualitative review and assessment; onsite review process

The institution, which at the time of the issuance of a degree, has full institutional approval by the superintendent to award or issue specific professional, technological, or education degrees:

(a) The superintendent shall not approve an institution to issue degrees until he or she has conducted a qualitative review and assessment of, and has approved, each program offered by the institution, and the superintendent has determined, based upon information submitted to him or her, all of the following:

(1) The institution has facilities, financial resources, administrative capabilities, faculty, and other necessary educational expertise and resources to afford students, and require of students,

- the completion of a program of education which will prepare them for the attainment of a professional, technological, or educational objective, including, but not limited to, a degree

(2) The curriculum is consistent in quality with curricula offered by appropriate established accredited institutions which are recognized by the United States Department of Education or the Committee of Bar Examiners for the State of California and issue the appropriate degree upon the satisfactory completion of specific qualitative academic programs

(3) The course for which the degree is granted achieves its professed or claimed academic objective for higher education, with verifiable evidence of academic achievement comparable to that required of graduates of other recognized schools accredited by an appropriate accrediting commission recognized by the United States Department of Education or the Committee of Bar Examiners for the State of California

The criteria developed for conducting the review and assessment shall effectuate the purposes of this chapter, but shall not unreasonably hinder legitimate educational innovation

(b) The superintendent shall conduct the qualitative review and assessment of the institution and all programs offered through a comprehensive on-site review process, performed by a qualified visiting committee impaneled by the superintendent for that purpose. The visiting committee, which shall be impaneled by the superintendent within 90 days of the date of receipt of a completed application, shall be composed of educators from both accredited and state approved institutions. Within 90 days of the receipt of the visiting committee's report and recommendations, the superintendent shall take one of the following actions

(1) Grant full institutional approval for a period not to exceed three years

(2) Grant candidate for institutional approval status for a period not to exceed two years plus the remainder of the calendar year in which the application was made. Candidate status may be renewed only one time, at the discretion of the superintendent

(3) Disapprove the application

If the application is disapproved, or candidate for institutional approval status is granted, the institution shall be advised of the specific reasons for the action and the specific corrective measures needed to achieve full institutional approval. An institution may not advertise itself as an approved or fully approved institution unless each degree program offered by the institution has been approved in accordance with the requirements of this section

(c) (1) The superintendent shall grant full institutional approval status for three years to all institutions operating pursuant to subdivision (2) of Section 94310 on June 30, 1984, as it read on that date and which have received full approval of all courses offered

(2) The superintendent shall grant candidate for institutional approval status for a period not to exceed two years to all institutions operating on June 30, 1984, pursuant to both subdivisions (b) and (c) of Section 94310 as it read on that date. The superintendent shall specify a date, prior to June 30, 1986, by which all institutions operating pursuant to this subparagraph shall file a completed application for either full institutional approval pursuant to this subdivision, or authorization to operate pursuant to Section 94310.3

(d) The superintendent may authorize any institution approved to issue degrees pursuant to this subdivision to issue diplomas for the completion of courses of study which do not fully meet the degree requirements, but are within the institution's approved degree program

The superintendent may approve an application to issue honorary degrees if the applicant institution has received full institutional approval to issue academic degrees

§ 94310.3 Compliance with standards recommended by council for private postsecondary educational institutions and adopted by superintendent; onsite review process; authorization; probation

The institution has demonstrated that it is in compliance with formal standards recommended by the Council for Private Postsecondary Educational In-

stitutions and adopted by the superintendent, which shall include, but not be limited to, the standards developed by the special committee pursuant to Section 94304.5

(a) The institution shall demonstrate compliance with the standards through a comprehensive onsite review process conducted by a threemember visiting committee impaneled by the superintendent for that purpose pursuant to subdivision b. The process shall review all of the following:

- (1) Institutional objectives
- (2) Administrative methods
- (3) Curriculum
- (4) Instruction
- (5) Faculty, including their qualifications
- (6) Physical facilities
- (7) Administrative personnel
- (8) Procedures for keeping educational records
- (9) Tuition, fee, and refund schedules
- (10) Admissions standards
- (11) Scholastic regulations and graduation requirements
- (12) Degrees offered
- (13) Financial stability, including that the capital assets of the institution are sufficient for the type, level, and number of degree programs offered and that the current assets of the institution are sufficient to serve the number of students then currently enrolled and to meet any tuition or fee refunds which may reasonably be expected under the institution's refund policy

(b) Within 90 days of the date of receipt of a completed application, the superintendent shall impanel a visiting committee for the purpose of reviewing the applicant institution. The visiting committee shall be composed as follows:

- (1) One member appointed by the director of the California Postsecondary Education Commission
- (2) One member appointed by the superintendent from a list of three names submitted by the Council for Private Postsecondary Educational Institutions
- (3) One member appointed by the superintendent from his or her staff, who shall serve as chairperson of the visiting committee
- (4) Additional members may be appointed by the superintendent if the superintendent determines that their technical expertise is necessary to review

the applicant institution. These members shall be nonvoting members.

(c) The visiting committee's responsibilities shall include all of the following:

- (1) To verify the accuracy of the information submitted by the applicant institution
- (2) To determine whether the applicant institution complies with the standards required by statute and regulation
- (3) To provide the applicant institution with a preliminary report of its findings, including its recommendation regarding the grant of the requested authorization, no later than 30 days following completion of the onsite review. The applicant institution shall provide the visiting committee with any additional information the visiting committee may request within 30 days after receipt of the preliminary report
- (4) To review the applicant institution's response to the preliminary report, and no later than 90 days following receipt of the response, submit a final report to the superintendent. The final report shall include the visiting committee's recommendation for the grant of authorization or for the denial of that authorization

(d) If the visiting committee's recommendation regarding authorization is not unanimous, the superintendent shall refer the final report to the council or to an appropriate appeals committee of the council for its advice pursuant to paragraph (8) of subdivision (f) of Section 94304.

(e) Within 90 days of the receipt of a unanimous visiting committee's report or the advice of the council, as appropriate, the superintendent shall take one of the following alternative actions:

- (1) Grant the applicant institution full authorization for a period not to exceed five years. Authorization pursuant to this subparagraph shall continue to be valid upon payment of the annual renewal fee specified in Section 94331
- (2) Disapprove the application

The superintendent shall advise the applicant institution of the specific reasons for action taken pursuant to subparagraph (2) of this subdivision and of the specific corrective measures needed to obtain authorization. If those corrective measures

have been taken, authorization may then be granted for an initial period not to exceed one year, and for periods of five years upon each subsequent renewal, subject to the payment of the annual renewal fee specified in Section 94331

(f) Not later than 90 days prior to the expiration of an authorization to operate, an institution shall file a completed application for reauthorization pursuant to this section with the superintendent. The reauthorization process for all institutions shall include a full review by a visiting committee

(g) All institutions operating pursuant to authorization received under this subdivision in effect on June 30, 1984, shall receive conditional authorization for a period not to exceed three years. On a specified date prior to June 30, 1987, determined by the superintendent, each institution granted conditional authorization pursuant to this paragraph shall file a completed application for reauthorization pursuant to this section

(h) Authorization received pursuant to this subdivision shall not be interpreted to endorse, and it is unlawful for, any institution to represent by any means that the State of California, the Superintendent of Public Instruction, State Board of Education, or the State Department of Education has made any accreditation or endorsement of the course of study or degree

(i) If at any time the superintendent determines that an authorized institution has significantly deviated from the standards for authorization, but not to an extent which would warrant the withdrawal of the institution's authorization, the superintendent may place the institution on probation for a specific period of time. During the period of probation, the institution shall be subject to special scrutiny by the superintendent. That scrutiny may include required submission of periodic reports, as prescribed by the superintendent, and special visits by authorized representatives of the superintendent. If at the end of the specified probation period, the institution has not taken steps to eliminate the cause for its probation which the superintendent finds satisfactory, the superintendent may withdraw the institution's authorization to award degrees. An institution placed on probation pursuant to this paragraph may appeal the superintendent's action to the council. The appeal shall be filed no

later than 30 days following the superintendent's initial action pursuant to this paragraph

§ 94310.4 Theology and other areas of religious study; filing of affidavits; authorization to operate

The institution is structured by schools of theology, and awards degrees primarily in theology and other areas of religious study, and it has filed all of the following affidavits with the superintendent

(a) An annual affidavit of "full disclosure" describing the institutional objectives and proposed methods of achieving them, the curriculum, instruction, faculty with qualifications, physical facilities, administrative personnel, educational recordkeeping procedures, tuition and fee schedule, tuition refund schedule, scholastic regulations, degrees to be conferred, graduation requirements, and financial stability as evidenced by a certified financial statement for the preceding year

(b) An affidavit by the president or other head stating that the institution owns, and shall continue to own, net assets in the amount of fifty thousand dollars (\$50,000) which is used solely for the purpose of education as stated in paragraph (1), located within this state, and stating that these assets provide sufficient resources to achieve the educational objectives of the institution. These assets shall include such real property as buildings and facilities, library materials, and instructional materials, but shall not include other personal property not used directly and exclusively by the institution for the purpose of education. The affidavit shall be accompanied by a statement from a public accountant showing the value of the interest of the institution therein to be at least fifty thousand dollars (\$50,000) above the unpaid balance on any note secured by a mortgage, deed of trust, or the unpaid balance on a contract of sale

(c) An annual affidavit by the president or other head setting forth, as a minimum, all of the following information

(1) All names, whether real or fictitious, of the person, institution, firm, association, partnership, or corporation under which it has done or is doing business

(2) The address, including city and street, of every place of doing business of the person, firm, association, partnership, or corporation, within this state

(3) The address, including city and street, of the location of the records of the person, firm, association, partnership, or corporation, and the name and address, including city and street, of the custodian of those records

(4) The names and addresses, including city and street, of the directors, if any, and principal officers of the person, firm, association, partnership, or corporation

(5) That the records required by subdivision (k) of Section 94312 are maintained at the address stated, and are true and accurate

Any change in the items of information required to be included in this affidavit shall be reported to the superintendent within 20 days of the change

Within 90 days of the receipt of the affidavits described in paragraphs (a), (b), and (c), and prior to granting the initial authorization to operate, the superintendent shall verify the truthfulness and accuracy of the affidavits by impaneling a three-member team comprised of one representative which he or she shall select, one representative of the California Postsecondary Education Commission, and one representative selected by, but not affiliated with, the institution to be inspected. Within 30 days of the receipt of the report from the three-member team, the superintendent shall grant or deny authorization to operate. Authorization to operate may be denied only if the affidavits are inaccurate. Authorization to operate may be granted for one year initially and for periods of three years upon each subsequent renewal, subject to payment of an annual fee pursuant to Section 94331. For all affidavits beyond the initial application, the superintendent may take any steps necessary to verify the truthfulness and accuracy of the affidavits. Filing pursuant to this subdivision shall not be interpreted to mean, and it shall be unlawful for, any institution to expressly or impliedly represent by any means whatsoever, that the State of California, the Superintendent of Public Instruction, the State Board of Education, or the State Department of Education has made any evaluation, recognition, accreditation, approval or endorsement of the course of study or degree.

ARTICLE 2

REQUIREMENTS AND STANDARDS

§ 94311 Approval or authorization of institution by superintendent

No postsecondary educational institution may offer courses of education leading to educational, professional, technological, or vocational objectives unless the institution has been approved or authorized by the superintendent as meeting at least one of the following requirements

(a) A hospital licensed under the provisions of Article 1 (commencing with Section 1250) of Chapter 2 of Division 2 of the Health and Safety Code and issues diplomas only in connection with the operation of a hospital

(b) An institution which is accredited, approved, or licensed by a state board or agency as a school, or any person or school certified for flight instruction by the Federal Aviation Administration, or its successor agency, and which issues or confers diplomas in the profession, vocation or occupation controlled by the board or agency accrediting, approving, or licensing it. However, this subdivision shall not be construed as authorizing the issuing of a diploma which is not customarily granted for the training given and which is limited to the profession, vocation or occupation controlled by the accrediting, approving, or licensing board or agency. Authorization to operate pursuant to this subdivision shall only be denied if the institution does not possess a valid accreditation, approval, or licensure by a California state agency, or if the person or school providing flight instruction does not possess a valid certification issued by the Federal Aviation Administration, or its successor agency. Institutions seeking approval or authorization pursuant to this subdivision shall be exempt from providing the application materials specified in subdivision (a) of Section 94330 and from the requirements of subdivision (e) of Section 94330. Institutions or persons approved by the Federal Aviation Administration, or its successor agency, which offer flight education and instruction shall file annually with the Super-

intendent of Public Instruction a copy of the individual's or institution's certificate as provided by the Federal Aviation Administration

(c) An institution which at the time of the issuance of a diploma, has accreditation of the institution, program or specific course of study upon which the diploma is based by a national or applicable regional accrediting agency recognized by the United States Department of Education, and the administrative head of the institution has filed with the superintendent an annual affidavit verifying that the institution, program, or each course of study for which a diploma is issued is so accredited

(d) An institution which has been approved by the superintendent as meeting the following minimum criteria

(1) That the quality and content of each course or program of instruction, training, or study are such as may reasonably and adequately achieve the stated objective for which the course or program is offered

(2) There is in the institution adequate space, equipment, instructional material, and instructor personnel to provide training of the quality needed to attain the object of that particular course

(3) Every instructor and administrator holds an applicable and valid Certificate of Authorization for Service issued by the Superintendent in the specified competence area in which the individual will serve. Certificates may be issued to administrators upon the superintendent's determination that the applicant is of good moral character and to instructors upon the superintendent's determination that the applicant is of good moral character and possesses adequate academic, experiential, and professional qualifications

(4) The institution maintains written records of the student's previous education and training with recognition where applicable

(5) A copy of the course outline, schedule of tuition, fees and other charges, regulations pertaining to tardiness, absence, grading policy and rules of operation and conduct is given to students upon enrollment

(6) The institution maintains adequate records to show attendance, progress, and grades

(7) The institution complies with all local city, county, municipal, state, and federal regulations such as fire, building, and sanitation codes. The superintendent may require evidence of compliance

(8) The institution does not exceed enrollment which the facilities and equipment of the institution can reasonably handle

(9) The institution's administrator, director, owner, and instructors are of good reputation and character

(10) Application for such approval shall be made in writing on proper application forms. Pending final approval, the superintendent may issue a provisional approval upon submission of the complete application

Within 30 days following receipt of application, and prior to the issuance of either provisional or final approval, a representative of the superintendent shall personally inspect the school and verify the application. If the visitation does not occur within 30 days following receipt of the application, the institution shall automatically receive a provisional approval. Within 30 days following visitation, either final approval, provisional approval, or denial of approval shall be given to each application. If the superintendent does not act within 30 days following visitation, the application from the institution will automatically receive approval. If all information is in order, the superintendent may authorize provisional approval. A provisional approval shall not exceed a period of one year, subject to prior termination or conversion to annual approval. A provisional approval may not be extended.

§ 94311.5 Truck driving schools

No person shall own or operate a school, or give instruction, for the driving of motortrucks of three or more axles which are more than 6,000 pounds unladen weight unless both of the following conditions are met

(a) The school or instruction has been approved or authorized under either subdivision (c) or (d) of Section 94311

(b) The department has certified, in addition, that the school, or instruction, meets all standards for truck driving schools and instruction established

by the Department of Motor Vehicles as of January 1, 1988, including, but not limited to, vehicle inspection, insurance requirements, and personnel background checks

§ 94312 Minimum standards

All institutions authorized, or approved, under this chapter shall be maintained and operated, or in the case of a new institution, shall demonstrate that it will be maintained and operated, in compliance with all of the following minimum standards

(a) That the institution is financially capable of fulfilling its commitments to its students

(b) That the institution and its agents do not utilize advertising of any type which is erroneous or misleading, either by actual statement, omission, or intimidation

(c) That the institution designates an agent for service of process within this state

(d) That the institution has and maintains a fair and equitable policy in reference to refund of the unused portion of tuition fees and other charges in the event the student fails to enter the course, or withdraws therefrom at any time prior to completion of the course. The policy shall be in compliance with the minimum standard of refunds as adopted by the superintendent. The superintendent shall take into consideration the length and character of the educational program in determining standards for refunds

(e) That any written contract or agreement signed by a prospective student away from the institution premises shall not become operative until the student makes an initial visit to the institution. The provision applies only in those situations when the student begins payment on tuition charges (beyond the registration fee) prior to arriving at the campus. The student is obligated to visit the campus at least six days prior to the start of classes. The school officials are obligated to provide the student with a thorough tour of the campus facilities and to place a written statement, signed by the student, in the student's file to verify that the visitation and campus tour were provided. Following the visitation to the campus, the student shall have a three-day "cooling off" period to void the contract with no

money to be retained by the school as provided in subdivision (d). If the student does not visit the campus after signing the contract, the "cooling off" period shall automatically begin six days prior to the start of classes. The student may waive the right to visit the campus at any time after signing the contract. This provision does not apply to correspondence schools or other mail study institutions. The superintendent shall take into consideration the character of the educational program in determining if other types of institutions should also be excluded from this provision.

(f) That any written contract or agreement for a course of study with an institution shall include on the first page of the agreement or contract, in 12-point boldface print or larger, the following statement

"Any questions or problems concerning this institution which have not been satisfactorily answered or resolved by the institution should be directed to the Superintendent of Public Instruction, State Department of Education, Sacramento, California 95814 "

In addition, the written contracts or agreements shall specify, in underlined capital letters on the same page of the contract or agreement in which the student's signature is required, the total financial obligation that the student will incur upon enrollment in the institution, in numbers or letters

(g) That neither the institution nor its agents engage in sales, collection, credit, or other practices of any type which are false, deceptive, misleading, or unfair

(h) That the institution makes available to students and other interested persons a catalog or brochure containing information describing the courses offered, program objectives, length of program, faculty and their qualifications, schedule of tuition, fees, and all other charges and expenses necessary for completion of the course of study, cancellation and refund policies, the total cost of tuition over the entire period, and (for vocational training programs for which specific placement claims are made) placement data, as well as such other material facts concerning the institution and the program or course of instruction, as are reasonably likely to affect the decision of the student to enroll therein, as specified by the superintendent and defined in the rules and regulations, and that

such information is made available to prospective students prior to enrollment

(i) That upon satisfactory completion of training, the student is given an appropriate degree or diploma by the institution, indicating that the course or courses of instruction or study have been satisfactorily completed by the student

(j) That adequate and accurate records are maintained by the institution, in accordance with regulations adopted by the superintendent, and that satisfactory standards are enforced relating to attendance, progress, and performance

(k) That the institution maintains current records for a period of not less than five years at its principal place of business within the State of California, immediately available during normal business hours, for inspection by the superintendent or the Attorney General of California showing all of the following

(1) The names and addresses, both local and home, including city and street, of each of its students

(2) The courses of study offered by the institution

(3) The names and addresses, including city and street, of its faculty, together with a record of the educational qualifications of each

(4) The degrees or diplomas and honorary degrees and diplomas granted, the date of granting, together with the curricula upon which the diplomas and degrees were based

(l) Accreditation by a national or applicable regional accrediting agency recognized by the United States Department of Education shall be accepted by the superintendent as evidence of compliance with the minimum standards established by the accrediting or licensing agency, and therefore as evidence of compliance with the minimum standards specified in the provisions of this section. If there is substantial evidence of violation by a college or university accredited by a national accrediting agency of the standard established by the responsible agency, the superintendent shall require further evidence and make further investigation. Following the superintendent's investigation, the appropriate national accrediting agency shall be notified by the superintendent of his or her findings. If, after four months, the superintendent determines that the national accrediting agency has not taken appro-

priate action and substantial evidence remains that the institution is not meeting minimum standards, the superintendent may take further action, as may be necessary, including revoking the institution's license to offer education and to award degrees and diplomas

(m) That the institution provides instruction as part of its educational program. Instruction shall include any specific, formal arrangement by an institution for its enrollees to participate in learning experiences wherein the institution's faculty or contracted instructors present a planned curriculum appropriate to the enrollee's educational program

(n) Institutions licensed solely under subdivision (b) of Section 94311, with the exception of those offering flight instruction, shall comply with subdivision (b), (e), (g), (h), (i), and (j). The responsibility for monitoring and enforcing institutional compliance with these minimum standards shall be with the state board or agency responsible for licensing the school

(o) Institutions certified to offer flight instruction by the Federal Aviation Administration, or its successor agency, shall comply with all of the requirements of this section, but shall not be required to file any materials with the Superintendent of Public Instruction which are not required by the Federal Aviation Administration, or its successor agency, except those minimally necessary to administer the Student Tuition Recovery Fund, pursuant to Section 94342, as determined by the Superintendent of Public Instruction. The responsibility for monitoring and enforcing institutional compliance for these institutions shall be with the Superintendent of Public Instruction

Individual flight instructors not requiring any advance payments, who do not negotiate a formal contract of indebtedness, and who do not have an established place of business other than their residences shall be exempt from the requirements of this section

§ 94313. Compliance investigation

(a) Within 30 days of receiving the noticer described in Section 69509.5 from the commission, the Private Postsecondary Education Division of the

State Department of Education shall commence an investigation of the institution named in the notice * The purpose of the investigation shall be to determine whether the educational institution is complying the applicable provisions of the chapter, the rules and regulations promulgated pursuant to this chapter, and the standards established by the accrediting board or agency The receive of the notice described in Section 69509 5 shall be deemed to be substantial evidence of violation of the standards established by the responsible agency for the purposes of subdivision (f) of Section 94312

(b) Within 60 days of the commencement of the investigation required in subdivision (a), the Private Postsecondary Education Division of the State Department of Education shall conclude its investigation and take action against the institution involved, as appropriate

§ 94315. Institution for development or improvement of occupational skill, knowledge or ability; affidavit of ownership; filing; exemption from provisions of chapter; inapplicability

No institution may offer education which develops or improves an occupational skill, knowledge, or ability unless the ownership for its statewide operations has filed with the superintendent an annual affidavit for public disclosure setting forth the following information the ownership's legal name, headquarters address, and name of an agent for the service of process within California, all names, whether real or fictitious, under which the ownership is doing and will do business, and, the names and addresses of the principal officers of the ownership Accompanying such annual affidavit shall be representative copies of any existing media advertising or promotional material Institutions filing pursuant to this section shall be exempt from all the provisions of this chapter except those in subdivision (d) of Section 94310, Section 94321, and Sec-

* This notice from the California Student Aid Commission involves "the commencement of any cause of action " against a private postsecondary educational institution in connection with the California Guaranteed Student Loan Program or the California Loans to Assist Student Program The Student Aid Commission is to notify the Private Postsecondary Education Division in writing within five days of commencing such an action

tion 94336 Filing pursuant to this section shall not be interpreted to mean, and it shall be unlawful for, any institution to expressly or impliedly represent by any means whatsoever, that the State of California, Superintendent of Public Instruction, the State Board of Education, or the Department of Education has made any evaluation, recognition, accreditation, approval, or endorsement of the institution or the education offered

This provision does not apply to education with an educational, professional, technological, or vocational objective which is subject to approval or authorization pursuant to Section 94311 Institutions accredited by a national or applicable regional accrediting agency recognized by the United States Department of Education, or accredited, approved, or licensed by a California state agency for such education, are exempted from the provisions of this section Also exempted from this section are remedial and tutorial education, as determined by the superintendent, any education which is offered free of charge, and any education offered by nonprofit entities, including national or statewide professional and occupational organizations and public benefit corporations

ARTICLE 3

PROHIBITED ACTIVITIES

§ 94320. Prohibited activities

No institution, or representative of such institution, shall

(a) Operate in this state a postsecondary educational institution not exempted from the provisions of this chapter, unless said institution has a currently valid authorization or approval to operate issued pursuant to the provisions of this chapter

(b) Offer, as or through an agent, enrollment or instruction in, or the granting of educational credentials from, an institution not exempted from the provisions of this chapter, whether such institution is within or outside this state, unless such agent is a natural person and has a currently valid agent's permit issued pursuant to the provisions of this chapter, nor accept contracts or enrollment applica-

tions from an agent who does not have a current permit as required by this chapter, provided, however, that the superintendent may promulgate rules and regulations to permit the rendering of legitimate public information services without such permit

(c) Instruct or educate, or offer to instruct or educate, including soliciting for such purposes, enroll or offer to enroll, contract or offer to contract with any person for such purpose, or award any educational credential, or contract with any institution or party to perform any such act, in this state, whether such person, agent, group, or entity is located within or without this state, unless such person, agent, group, or entity observes and is in compliance with the minimum standards set forth in Section 94312, the criteria established by the superintendent and reviewed by the council pursuant to paragraph (4) of subdivision (f) of Section 94304, and the rules and regulations adopted by the superintendent pursuant to subdivision (b) of Section 94305

(d) Use, or allow the use of, any reproduction or facsimile of the Great Seal of the State of California on any diploma

§ 94321 Prohibited activities

No institution, or representative of such institution, shall

(a) Make, or cause to be made, any statement, or representation, oral, written, or visual, in connection with the offering or publicizing of a course, if such person, firm, association, partnership, or corporation knows, or reasonably should have known, the statement or representation to be false, deceptive, inaccurate, or misleading

(c) Advertise concerning job availability, degree of skill and length of time required to learn a trade or skill unless the information is accurate and in no way misleading

(d) Advertise, or indicate in any promotional material, that correspondence instruction, or correspondence courses of study are offered without including in all advertising or promotional material the fact that the instruction or courses of study are offered by correspondence or home study

(e) Advertise, or indicate in any promotional material, that resident instruction, or courses of study are offered without including in all advertising or promotional material the location where the training is given or the location of the resident instruction

(f) Solicit students for enrollment by causing any advertisement to be published in "help wanted" columns in any magazine, newspaper, or publication or use "blind" advertising which fails to identify the school or institution

Nothing contained in this section shall prohibit a private school and a bona fide employer from jointly advertising in "help wanted" columns of a magazine, newspaper, or other publication if they meet all of the conditions established by the superintendent for such advertising

Any institution willfully violating any provisions of this section shall be unable to enforce any contract or agreement arising from the transaction in which the violation occurred, and it may be one of the grounds for losing the approval or authorization to operate in this state. In addition, in the event of such violations, the institution shall refund to the student any tuition or fees that have been collected from the student. The student shall be awarded, in addition to the foregoing, any damages sustained, and may be awarded treble damages, in the discretion of the court

The judgment rendered in any action maintained for the recovery of fees or damages sustained in accordance with the terms of this section or the judgment rendered in any action defended by a student, shall, if the student is the prevailing party, include court costs, including a reasonable attorney's fee fixed by the court

The provisions of this section shall supplement and not displace the authority granted the Division of Labor Law Enforcement under Section 1700.4 of the Labor Code to the extent that placement activities of trade schools are subject to regulations by the division under the Labor Code

ARTICLE 4

APPLICATIONS, AUTHORIZATIONS, FEES, AND PROTECTIONS

§ 94330 Application for authorization to operate

(a) Each institution desiring to operate in this state shall make application to the superintendent, upon forms to be provided by the superintendent. The application shall include, as a minimum, at least the following

(1) A catalog published or proposed to be published by the institution containing the information specified in the criteria promulgated by the superintendent. The catalog shall include specific dates as to when the catalog applies

(2) A description of the institution's placement assistance, if any

(3) Copies of media advertising and promotional literature

(4) Copies of all student enrollment agreement or contract forms and instruments evidencing indebtedness

(5) The name and California address of a designated agent upon whom any process, notice or demand may be served

(b) Each application shall be signed and certified to under oath by the principal owners of the school (those who own at least 10 percent of the stock)

(c) Following review of such application and any other further information submitted by the applicant, or required in conformity with Sections 94310 and 94311, and such investigation of the applicant as the superintendent may deem necessary or appropriate, the superintendent shall either grant or deny authorization to operate to the applicant

The provision of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code shall be applicable to any determination of the superintendent made pursuant to this section

(d) The term for which authorization is given shall not extend for more than three years, and may be issued for a lesser period of time

(e) The authorization to operate shall be issued to the owner, or governing body, of the applicant institution, and shall be nontransferable. In the event of a contemplated shift in control, or a change in own-

ership of the institution, a new owner, or governing body, must at least 20 days prior to the shift in control or change in ownership, apply for a new authorization to operate, and in the event of failure to do so, the institution's authorization to operate shall terminate. Application for a new authorization to operate by reason of a shift in control or a change in ownership of the institution shall be deemed an application for renewal of the institution's authorization to operate. The shift in control, or change in ownership of the institution may not be made until the application is approved. "Ownership," for purposes of this section, shall be deemed to mean ownership of a controlling interest in the institution, or in the event the institution is owned or controlled by a corporation or other legal entity other than a natural person or persons, ownership of a controlling interest in the legal entity owning or controlling such institution

(f) At least 60 days prior to the expiration of an authorization to operate, the institution shall complete and file with the superintendent an application form for renewal of its authorization to operate. Said renewal application shall be reviewed and acted upon as provided herein above

(g) Institutions accredited by an agency recognized by the United States Department of Education are not required to file the information described in parts (3) and (4) of subdivision (a) of this section

(h) Catalogs submitted by accredited institutions shall be deemed to meet the requirements of paragraph (1) of subdivision (a) of this section, unless the superintendent finds that the catalog does not meet the standards any criteria of the institution's accrediting agency. In such case, the superintendent may require modification of the catalog to bring it into compliance with the standards and criteria of the institution's accrediting agency

§ 94331 Private postsecondary education administration fund; credits, appropriation, fees

The superintendent shall establish and maintain a Private Postsecondary Education Administration Fund. All fees collected pursuant to this section shall be credited to this fund, along with any interest on the money, for administration of the provi-

sions of this chapter. The money in the fund is continuously appropriated to the State Department of Education without regard to fiscal years. However, if the Legislature makes an appropriation for the support of the Office of Private Postsecondary Education in the Budget Act of any fiscal year, the amount for support of the Office of Private Postsecondary Education expended from the Private Postsecondary Education Administration Fund during that fiscal year shall not exceed the amount appropriated by the Budget Act.

For the approval or authorization of private institutions operating under this chapter, the superintendent shall charge an amount not exceeding the actual costs of approving or authorizing the private institutions. However, in no case shall these fees exceed the fee schedule in this section, except that such maximum amounts may be increased by a percentage which reflects an increase in the Consumer Price Index, all items of the Bureau of Labor Statistics of the United States Department of Labor, measured for the calendar year preceding the fiscal year to which it applies. If the actual costs incurred exceed the proceeds of the maximum amount so computed, the superintendent may further increase the maximum fee up to the amount of the actual costs incurred, with the approval of the council. The superintendent shall annually publish a schedule of the current fees to be charged pursuant to this section and shall make such schedule generally available to the public.

The following fee schedule shall govern the fees to be paid by private institutions operating under this chapter:

(a) For approval to issue specified degrees pursuant to subdivision (b) of Section 94310:

- (1) Fifteen hundred dollars (\$1,500) for an institution's original application
- (2) Five hundred dollars (\$500) for an institution's annual renewal
- (3) Two hundred dollars (\$200) for an institution's change of ownership
- (4) One hundred fifty dollars (\$150) for an institution's change of location
- (5) Five hundred dollars (\$500) for an institution's additional degree title

(b) For authorization to issue degrees pursuant to subdivision (c) or (d) of Section 94310:

- (1) One thousand five hundred dollars (\$1,500) for an institution's original application
- (2) Five hundred dollars (\$500) for an institution's annual renewal
- (3) Two hundred dollars (\$200) for an institution's change of ownership

(c) For authorization to issue diplomas or offer courses pursuant to subdivision (c) of Section 94311:

- (1) (A) Four hundred dollars (\$400) for a new institution
- (B) Two hundred fifty dollars (\$250) for an institution converting from approval pursuant to subdivision (d) of Section 94311
- (C) Two hundred dollars (\$200) for a new or converted institution of an administrative family
- (2) (A) Two hundred dollars (\$200) for an annual renewal of a new or converted institution
- (B) One hundred dollars (\$100) for an annual renewal of an administrative family institution

(d) For approval to issue diplomas or offer courses pursuant to subdivision (d) of Section 94311:

- (1) (A) Five hundred dollars (\$500) for a new institution
- (B) Two hundred fifty dollars (\$250) for a new institution of an administrative family
- (C) Two hundred dollars (\$200) for a new institution of a nonprofit public benefit corporation, organized pursuant to Part 2 (commencing with Section 51100) of Division 2 of Title 1 of the Corporations Code, if such education is limited to instruction in employment and skill training and if it is offered at no charge to those persons receiving such education
- (2) (A) Two hundred twenty-five dollars (\$225) for an institution's annual renewal
- (B) One hundred dollars (\$100) for an annual renewal of an institution of an administrative family and for an annual renewal of an institution described in subparagraph (C) of paragraph (1) of subdivision (d)

- (3) Two hundred dollars (\$200) for an institution's change of ownership
- (4) One hundred fifty dollars (\$150) for an institution's change of location
- (5) One hundred dollars (\$100) for an institution's additional course
- (e) For an annual filing by an ownership to offer career-related education pursuant to Section 94315 Two hundred dollars (\$200)
- (f) For purposes of this section, "administrative family" refers to two or more institutions under common ownership, and the ownership maintains centralized administration, records, and reporting at one California location, and has at least a five-year history of private postsecondary education operations in California
- (g) For evaluation of an applicant for a certificate of authorization for service, issued pursuant to paragraph (3) of subdivision (d) of Section 94311, the original and renewal applications for a three-year authorization shall be accompanied by a twenty-five dollar (\$25) fee
- (h) For a private school agent's permit pursuant to Section 94333 Twenty-five dollars (\$25) annually per applicant
- (i) For agencies with three or fewer employees
 - (1) Seven hundred fifty dollars (\$750) for an original application
 - (2) Five hundred dollars (\$500) for the agency's annual renewal
 - (3) Five hundred dollars (\$500) for the agency's change of ownership
- (j) For agencies with four or more employees
 - (1) One thousand five hundred dollars (\$1,500) for an original application
 - (2) One thousand dollars (\$1,000) for the agency's annual renewal
 - (3) One thousand dollars (\$1,000) for the agency's change of ownership
- (k) This section shall not apply to any agency recruiting solely for institutions described in Section 94310 1

§ 94332. Complaint alleging violation of chapter

- (1) Any person claiming damage or loss as a result of any act or practice by a postsecondary educational institution or its agent, or both, which is a violation of this chapter or of the rules and regulations promulgated hereunder, may file with the superintendent a verified complaint against such institution or against its agent, or both. The complaint shall set forth the alleged violation and shall contain such other information as may be required by the superintendent
- (2) The superintendent shall investigate any such complaint and may, at his or her discretion, attempt to effectuate a settlement by persuasion and conciliation. The superintendent may consider a complaint after 10 days' written notice by registered mail, return receipt requested, to such institution or to such agent, or both, as appropriate
- (3) If, upon all the evidence at a hearing, the superintendent shall find that an institution or its agent, or both, has engaged in or is engaging in, any act or practice which violates the provisions of this chapter or the rules and regulations promulgated hereunder, the superintendent shall report such evidence to the Attorney General. The superintendent may also, as appropriate, based on his or her own investigation or the evidence adduced at such hearing, or both, commence an action to revoke an institution's approval or authorization to operate or an agent's permit

§ 94333. Agent's permit

- (a) Notwithstanding any other provision of this chapter concerning agents, the owner of at least 51 percent of the equitable interest in an institution shall be exempt from this section by virtue of having filed for a permit to operate under Section 94310 and 94311

Any agent, as defined by subdivision (a) of Section 94302, must hold a valid permit issued by the superintendent. Administrators or faculty, or both, who make informational public appearance, but whose primary task is not to serve as a paid recruiter, are exempted from this section

The application for such a permit shall be furnished by the superintendent and shall include the following

(1) A statement signed by the applicant that he or she has read the provisions of this chapter and the rules and regulations promulgated pursuant thereto

(2) A surety bond making provision for indemnification of any person for any material loss suffered as a result of any fraud or misrepresentation used in connection with the solicitation for the sale or the sale of any course of study. The term of the bond shall extend over the period of the permit. The bond may be supplied by the institution or by the person for whom the issuance of the permit is sought and may extend to cover individuals separately or to provide blanket coverage for all persons to be engaged as representatives of the institution. Such bond shall provide for liability in the penal sum of one thousand dollars (\$1,000) for each agent to whom coverage is extended by its terms

Neither the principal nor surety on a bond may terminate the coverage of the bond except upon giving 30 days' prior written notice to the superintendent

(3) A fee as required by Section 94331

(b) An agent representing more than one institution must obtain a separate agent's permit for each institution represented, provided, that when an agent represents institutions having a common ownership, only one agent's permit shall be required with respect to said institutions. In the event any institution which the applicant intends to represent does not have authorization to operate in this state, said application shall be accompanied by the information required of institutions making application for such authorization

(c) No person shall be issued a permit except upon the submission of satisfactory evidence of good moral character

(d) A permit shall be valid for the calendar year in which it is issued, unless sooner revoked or suspended by the superintendent for fraud or misrepresentation in connection with the solicitation for the sale of any course of study, or for the existence of any condition in respect to the permittee or the school he or she represents which, if in existence at

the time the permit was issued, would have been grounds for denial of the permit

(e) The permittee shall carry the permit with him or her for identification purposes when engaged in the solicitation of sales and the selling of courses of study away from the premises of the school

(f) A temporary permit shall be issued when a complete application is filed. The temporary permit will automatically expire when the applicant is notified of the superintendent's decision to issue or deny a regular permit. Notification is complete when the applicant learns of the decision or three days after notice of the decision is mailed to the applicant's address stated in the application, whichever occurs first. The superintendent may deny or terminate any temporary permit at any time upon receipt of any information for which a regular permit might be denied. Such termination is effective when the applicant is notified as stated above

The judgment rendered in any action maintained for any material loss suffered as a result of any fraud or misrepresentation used in connection with the solicitation for the sale or the sale of any course of study away from the premises of the school shall, if the plaintiff is the prevailing party, include court costs including a reasonable attorney's fee fixed by the court

The provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code shall be applicable to any determination of the superintendent made pursuant to this section

The issuance of a permit pursuant to this section shall not be interpreted as, and it shall be unlawful for any individual holding any such permit to expressly or impliedly represent by any means whatever, that the superintendent has made any evaluation, recognition, accreditation, or endorsement of any course of study being offered for sale by the individual

It shall be unlawful for any individual holding a permit under this section to expressly or impliedly represent, by any means whatever, that the issuance of the permit constitutes an assurance by the superintendent that any correspondence course of study being offered for sale by the individual will provide and require of the student a course of education or training necessary to reach a professional,

educational, or vocational objective, or will result in employment or personal earnings for the student

§ 94334. Agency authorization; application; inspection; agent permit exemption; deceptive practices; institution involvement with unauthorized agency; exemption

(a) Except as otherwise specified in subdivision (g), any agency, as defined by subdivision (a) of Section 94302, shall be required to hold a valid authorization issued by the superintendent. The application for an authorization shall include all of the following:

(1) A current financial statement prepared by a certified public accountant

(2) Evidence of a surety bond making provision for indemnification of any person for any material loss suffered as a result of any fraud or misrepresentation used in the connection with the solicitation for the sale or the sale of any course of study. The term of the bond shall extend over the period of the authorization. The bond shall provide for liability in the penal sum of one hundred thousand dollars (\$100,000) for each agency to which coverage is tendered by its terms. Neither the principal nor surety on a bond may terminate the coverage of the bond except upon giving 30 days' prior written notice to the superintendent.

(3) A copy of the student disclosure statement to be read and signed by all prospective students referred to institutions by an agency. The student disclosure statement shall include, but not be limited to, all of the following:

(A) A statement to the effect that no promise of employment has been made by the agency.

(B) A statement to the effect that the repayment of any debt incurred by a student in connection with his or her education will be the sole responsibility of the student.

(C) The amount and terms of any fee to be paid by the student to the agency.

(D) A verbatim statement, as follows:

"Any questions or problems concerning this agency should be directed to the Superintendent of Public

Instruction, State Department of Education, Sacramento, California 94244-2720."

(E) A statement to the effect that the institution or institutions to which the prospective student is referred by the agency has the obligation to make available to the student a catalog or brochure containing information describing all of the following:

(i) The courses offered

(ii) Program objectives

(iii) Length of program

(iv) The faculty and their qualifications

(v) Schedule of tuition, fees, and all other charges and expenses necessary for the completion of the course of study

(vi) Cancellation and refund policies

(vii) Total cost of tuition over the period needed to complete the student's education

(viii) For vocational training programs for which specific placement claims are made, placement data, including program completion rates, placement rates, and starting salaries

(ix) Other material facts concerning the institution and the program or course of instruction that are reasonably likely to affect the decision of the student to enroll in the institution

(4) Identification of all employees of the agency and their titles

(5) Identification of all owners and if the entity is a corporation the identification of all persons possessing an interest equal to, or in excess of, 10 percent

(6) Identification of all vendors of educational services for which the agency provides recruitment services

(7) A signed statement by the applicant that all employees engaged in recruitment activities will be required to read Section 94320

(b) Within 15 days of receipt of a completed application and prior to issuance of an authorization a representative of the superintendent shall inspect the applicant agency and verify the application. Within 30 days of the inspection the superintendent shall issue the authorization for a one-year period, subject to annual renewal at the end of that period, or deny the application.

(c) Any employee of an authorized agency engaged in student recruitment activities of an authorized agency is exempt from the permit requirements of Section 94333

(d) Neither the agency nor any of its employees shall engage in the sales, collection, credit, or other practices of any type that are false, deceptive, misleading, or unfair

(e) Any institution authorized or approved under this chapter shall cease any and all recruitment activities involving the agency upon action by the superintendent to revoke or deny an agency authorization. Failure of the institution to do so upon presentation of notice of the superintendent's action shall be cause to deny or revoke any authorization or approval held by that institution

(f) Any agency engaged in recruiting activities on January 1, 1989, may continue its recruiting activities but shall make an application to the superintendent as required by this section within 30 days of the application becoming available and the superintendent, within 30 days of the receipt of the application, shall issue the authorization for a one-year period or deny authorization. Thereafter, the agency shall possess a current authorization in order to continue to operate

(g) This section shall not apply to any agency recruiting solely for institutions described in Section 94310.1

§ 94335. Notes, other instruments of indebtedness, or contracts relating to payment for educational services

(a) No note, other instrument of indebtedness, or contract relating to payment for educational services shall be enforceable in the courts of this state by any institution within or outside this state governed by the provisions of this chapter unless at the time of execution of such note, other instrument of indebtedness, or contract, said institution has a valid approval or authorization pursuant to the provisions of this chapter

(b) No note, other instrument of indebtedness, or contract relating to payment for educational services shall be enforceable in the courts of this state by any institution within or outside this state gov-

erned by the provisions of this chapter unless such agent, who enrolled persons to whom educational services were to be rendered or to whom degrees or diplomas were to be granted pursuant to the provisions of this chapter, held a valid agent's permit at the time of execution of the note, other instrument of indebtedness, or contract

(c) Any school or institution governed by the provisions of this chapter extending credit or lending money to any person for tuition, fees, or any charges whatever for educational services to be rendered or furnished shall cause any note, instrument, or other evidence of indebtedness taken in connection with such loan or extension of such credit to be conspicuously marked on the face thereof with the following notice

NOTICE

ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER

In the event such school or institution fails to do so, it shall be liable for any damage or loss suffered or incurred by any subsequent assignee, transferee, or holder of such evidence of indebtedness on account of the absence of such notification

(d) Notwithstanding the presence or absence of such notification and notwithstanding any agreement wherein the student waives the right to assert any claim or defense, the school or institution making such loan or extending such credit and the transferee, assignee, or holder of such evidence of indebtedness, shall be subject to all defenses and claims which could be asserted against the school or institution which was to render or furnish such educational services by any party to such evidence of indebtedness or by the person to whom such educational services were to be rendered or furnished up to the amount remaining to be paid thereon

§ 94336 Violation of provisions

Any person, firm, association, partnership, or corporation willfully violating subdivision (d) of Sec-

tion 94320 is guilty of a felony and is punishable by imprisonment in the state prison, or by a fine of not less than one thousand dollars (\$1,000), or by both such fine and imprisonment

Any person, firm, association, partnership, or corporation which willfully violates any other provision of this chapter, is punishable, for a first offense, by imprisonment in the county jail for not exceeding one year, or by a fine not exceeding one thousand dollars (\$1,000), or both, and any second or subsequent offense shall be a felony punishable by imprisonment in the state prison, or by a fine of not less than one thousand dollars (\$1,000), or by both such fine and imprisonment

§ 94337 Institution with prior approval or authorization to operate

Any institution approved or authorized to operate prior to the effective date of the act that added this chapter shall retain such authorization until January 1, 1979, without authorization or approval of the superintendent unless

(a) Such authorization or approval is revoked by the superintendent or suspended by operation of law pursuant to the provisions of this section

(b) Such authorization or approval expires and is subject to renewal

(c) The institution ceases to exist or provide instruction

After January 1, 1982, all institutions must either be authorized or approved by the superintendent in conformity with this chapter

§ 94338 Contract with district, superintendent or other agency

Any institution approved or authorized by the superintendent pursuant to the provisions of this chapter may contract with any school district, county superintendent, community college district, or the governing body of an agency maintaining a regional occupational center or program, subject to Section 8092

§ 94339 Duties of attorney general

(a) The Attorney General

(1) May make such investigations as may be necessary to carry out the provisions of this chapter, including, but not limited to, investigations of complaints which are under review by the council pursuant to paragraph (6) of subdivision (f) of Section 94304,

(2) And the superintendent may, jointly, bring such actions as may be necessary to enforce the provisions of this chapter, including, but not limited to, civil actions for injunctive relief. In actions brought pursuant to this paragraph, the superintendent shall be represented by the Attorney General

(b) The Attorney General shall represent the superintendent in any administrative proceedings arising under this chapter

(c) Nothing in this section or this chapter shall be deemed to preclude the Attorney General from

(1) Bringing any actions on behalf of the people as he is empowered by law to bring, including, but not limited to, actions based upon alleged violations of Section 17500 of the Business and Professions Code or Section 3369 of the Civil Code,

(2) Conducting such investigations as may be necessary to determine whether there have been violations of the provisions of law specified in paragraph (1) of this subdivision,

(3) Conducting any such investigations as he is authorized by law to conduct including, but not limited to, investigations authorized pursuant to Section 11180 of the Government Code

§ 94341 Severability clause

If any section, subdivision, paragraph, subsection, sentence, clause, or phrase of this chapter is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this chapter. The Legislature hereby declares that it would have passed this chapter, and each section, subdivision, paragraph, subsection,

sentence, clause or phrase thereof, irrespective of the fact that any one or more of the sections, subdivisions, paragraphs, subsections, sentences, clauses, or phrases are declared to be unconstitutional

§ 94342 Student tuition recovery fund; payment; regulations and conditions

The superintendent shall establish and maintain a Student Tuition Recovery Fund for the purpose of relieving or mitigating pecuniary losses suffered by any California resident who is a student of an approved or authorized postsecondary educational institution which charges prepaid tuition, as a result of such institution ceasing its operation for any reason. The Council for Private Postsecondary Educational Institutions acting in its established capacity and relationship may offer advice with regard to the administration of this section.

Payments from the fund to any student shall be at the discretion of the superintendent and shall be subject to such regulations and conditions as the superintendent shall prescribe. The provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code shall be applicable to any determination of the superintendent made pursuant to this section.

§ 94343 Annual assessments; amount; payment; disposition; exemptions, collection

The superintendent shall assess each institution which collects any moneys in advance of rendering services an amount equal to one-tenth of 1 percent of the total course cost for each student newly enrolled. The assessment per student shall be not less than one dollar (\$1), and not more than four dollars (\$4). In addition, for each student who prepays an institution an amount in excess of four thousand dollar (\$4,000), the superintendent shall assess the institution one-half of 1 percent of the prepaid amount which exceeds four thousand dollars (\$4,000). The assessments shall be paid into the State Treasury and credited to the Student Tuition Recovery Fund, and the deposits shall be allocated, except as otherwise provided for in this chapter,

solely for the payment of valid claims to students. In no event shall assessments be levied if, on June 30 of any year, the balance in the fund exceeds seven hundred fifty thousand dollars (\$750,000). However, regardless of the balance in the fund, assessments shall be made on any newly approved or authorized institution. Notwithstanding Section 13340 of the Government Code, the moneys so deposited in the Student Tuition Recovery Fund are continuously appropriated to the State Department of Education for the purpose of paying claims to students pursuant to Section 94342. Not more than fifty thousand dollars (\$50,000) per fiscal year shall be used for the administration of the tuition recovery program authorized by Section 94342 and this section. The interest earned on money in the fund shall be credited to the fund. Institutions which are accredited by a regional accrediting association recognized by the United States Department of Education, or which meet the student tuition indemnification requirements of a California state agency, or which demonstrate to the superintendent that an acceptable alternative method of protecting their students against loss of prepaid tuition has been established, shall be exempted from the provisions of this section.

In the event of a closure by any institution authorized, or approved under this chapter, any assessments which have been made against such institution, but have not been paid into the State Treasury, shall be recovered, or any payments from the Student Tuition Recovery Fund to students on behalf of any such institution may be recovered, by appropriate action taken by the Superintendent of Public Instruction. The moneys so deposited in the Student Tuition Recovery Fund shall be exempt from execution and shall not be the subject of litigation or liability on the part of creditors of such institutions or students.

§ 94343.2 Violation of § 94343; consequences

(a) Any institution which willfully violates the provisions of Section 94343 shall be subject to all of the following:

(1) The institution shall lose all rights to enforce the terms of any contract or agreement arising from

the transaction in which the violation occurred

(2) The institution shall refund to the aggrieved student any fees which it has collected from that student

(b) An institution's willful violation of the provisions of Section 94343 may be grounds for the revocation of that institution's approval or authorization to operate in this state

§ 94343.5 Disclosure of guaranteed or insured loans

Students enrolling in institutions which come under provisions of Sections 94342 and 94343, shall disclose in writing, if applicable, the source of any and all guaranteed or insured loans granted for the purposes of paying tuition to such institution. In the event of a closure of any such institution, the Superintendent of Public Instruction shall provide any lending institution which is the source of any guaranteed or insured student loan with the name of students maintaining loans with any such lending institution

§ 94343.6 Student loans; withholding services for persons in default; "default"; regulations; notice to institutions of individual in default; duties of guarantors

(a) The governing board or other governing authority of any California postsecondary educational institution as defined in subdivision (1) of Section 94302 shall adopt regulations providing for the withholding of institutional services from students or former students who have been notified in writing at the student's or former student's last known address that he or she is in default on a loan or loans under either of the following loan programs

(1) Guaranteed Student Loan program

(2) Supplemental Loan for Students program

"Default," for purposes of this section, means the failure of a borrower to make an installment payment when due, or to meet other terms of the promissory note under circumstances where the guarantee agency finds it reasonable to conclude that the

borrower no longer intends to honor the obligation to repay, provided that this failure persists for 180 days for a loan repayable in monthly installments, or 240 days for a loan repayable in less frequent installments

(b) The regulations adopted pursuant to subdivision (a) shall provide that the services withheld may be provided during a period when the facts are in dispute and when the student or former student demonstrates to either the governing board or other appropriate governing authority of the California postsecondary educational institution as defined in subdivision (1) of Section 94302, or the Student Aid Commission, or both the Student Aid Commission and the appropriate entity or its designee, that reasonable progress has been made to repay the loan or that there exists a reasonable justification for the delay as determined by the institution. The regulations shall specify the services to be withheld from the student and may include, but are not limited to, the following

(1) The provision of grades

(2) The provision of transcripts

(3) The provision of diplomas

The adopted regulations shall not include the withholding of registration privileges

(c) When it has been determined that an individual is in default on a loan or loans under either of the loan programs specified in subdivision (a), the Student Aid Commission shall give notice of the default to all institutions through which that individual acquired the loan or loans

(d) Guarantors, or those who act as their agents or act under their control, who provide information to postsecondary educational institutions pursuant to this section, shall defend, indemnify, and hold harmless the governing board or other governing authority of the institutions from action resulting from compliance with this section when the action arises as a result of incorrect, misleading, or untimely information provided to the postsecondary educational institution by the guarantors, their agents, or those acting under the control of the guarantors

§ 94344 Rules and regulations

The superintendent with the advice of the Council for Private Postsecondary Educational Institutions, shall adopt rules and regulations necessary to implement Section 94342 and 94343

§ 94345 Review and report to legislature

Prior to September 1, 1989, the California Postsecondary Education Commission shall review and evaluate all of the following, and shall report to the Legislature on the results of this review and evaluation

(a) The implementation of this chapter by the State Department of Education

(b) The effectiveness of subdivisions (b), (c), and (d) of Section 94310 in protecting the integrity of degrees and diplomas issued by private postsecondary

educational institutions *

ARTICLE 5

TERMINATION

§ 94350 Termination date of chapter

This chapter shall become inoperative on June 30, 1991, and, as of January 1, 1992 is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1992, deletes or extends the dates on which it becomes inoperative and is repealed

* "Subdivisions (b), (c) and (d) of Section 94310" have been renumbered as subsections (2), (3), and (4), covering approved institutions, authorized colleges and universities, and authorized schools of theology

Appendix B

NOTE The following text is reproduced from *West's Annotated California Codes, Education Code Sections 18000 to 32999, Volume 26B, 1989 Cumulative Pocket Part* St Paul West Publishing Co., 1989, pp 137-138

Article 9 is a portion of Chapter 3, Miscellaneous, 1, the Code's Title 1, Division 1 on General Education Code Provisions

ARTICLE 9

PROHIBITED ACTIVITIES

§32380 Definitions

As used in this article

- (a) "Person" means any individual, partnership, corporation, association, firm, or public board, agency, or entity
- (b) "Prepare" means to put into condition for intended use
- (c) "Degree" means any "academic degree" or "honorary degree" or title of any designation, mark, appellation, series of letters or words such as, but not limited to, associate, bachelor, master, doctor, or fellow which signifies, purports, or is generally taken to signify satisfactory completion of the requirements of an academic, educational, technological, or professional program of study or is an honorary title conferred for recognition of some meritorious achievement
- (d) "Diploma" means any diploma, certificate, transcript, document, or other writing in any language other than a degree representing that an individual has completed any course of study

Prohibited Activities

§32381 Degrees or diplomas; preparation, manufacture or printing without consent of school authority; misdemeanor

Any person who prepares, manufactures, or prints, or who offers to prepare, manufacture, or print, for a fee or other compensation, any document purporting to be a degree or diploma without written authorization to do so from the school authority shall be guilty of a misdemeanor. As used in this section, "school authority" means any of the following

- (a) A governing board of a school district that issued or reissued the degree or diploma, as the case may be
- (b) A private school that issued or reissued the degree or diploma, as the case may be
- (c) Any public or private college, university, or other institution of higher learning that issued or reissued the degree or diploma, as the case may be

Nothing in this section shall prohibit a person from reproducing, or having reproduced, for his personal use a degree or diploma issued to him by a school authority

§32382 Degrees or diplomas; purchase and sale; fraudulent use

- (a) Sell, barter, offer to sell or barter, or conspire to sell or barter, any diploma or degree as defined in this article
- (b) Buy, obtain by barter, attempt to buy or obtain by barter, or conspire to obtain by barter or buy, any diploma or degree
- (c) Use in connection with any business, trade, profession, or occupation, or attempt to use in connection with any business, trade, profession or occupation, or conspire to use in connection with any business, trade, profession or occupation, any degree or

diploma, which has been purchased, obtained by barter, fraudulently or illegally issued, illegally obtained, counterfeited, materially altered, or found

(d) Use in connection with a business, trade, profession, or occupation, or give or receive, any degree or diploma which has been purchased, obtained by barter, fraudulently or illegally issued, illegally obtained, counterfeited, materially altered, or found

(e) Attempt to use in connection with a business, trade, profession, or occupation, or attempt to give or receive, any degree or diploma, which has been purchased, obtained by barter, fraudulently or illegally issued, illegally obtained, counterfeited, materially altered, or found

(f) Conspire to use in connection with a business, trade, profession, or occupation, or conspire to give or receive, any diploma or degree evidencing the undertaking or completion of any course of study or scholastic achievement attained if, in fact, such course of study has not been undertaken nor completed or if such scholastic achievement has not been attained

§ 32383. Willful violations of § 32382; misdemeanor; punishment

Any person willfully violating any provision of Section 32382 is guilty of a misdemeanor and is punishable by imprisonment in the county jail, or by a fine of not more than one thousand dollars (\$1,000) or by both such fine and imprisonment

§ 32384. Enforcement of article; relief

Any court of competent jurisdiction is hereby authorized to grant such relief as is necessary to enforce the provisions of this article, including the issuance of any injunction

§32385. Injunctions

Actions for injunction under the provisions of this article may be brought in the name of the people of the State of California upon their own complaint or upon the complaint of any person, or in the name of any authorized public or private school, college, university, or other authorized institution of learning, acting on its own behalf or the general public

Appendix C

Enrollments and Degrees

NOTE This appendix list the number of students enrolled in Fall 1987 and the number of degree awarded during 1986-87 by different types of California's privately supported degree-granting institutions. The asterisks on pages 91-94 indicate accreditation by the Western Association of Schools and Colleges

Type of Institution	Fall 1987 Enrollment			1986-87 Degrees Awarded					
	Full Time	Part Time	Total	Associate	Bachelor	Master	First Professional	Doctorate	Total
California Accredited Institutions									
American Academy of Dramatic Arts/West (Pasadena)*	No Data								
American Baptist Seminary of the West (Berkeley)	38	58	96			3	24	7	34
American Conservatory Theatre (San Francisco)*	72	19	91			10			10
American Film Institute Center for Advanced Film Studies (Hollywood)	161	00	161			81			81
Armstrong University (Berkeley)*	No Enrollment Data			11	32	71			114
Art Center College of Design (Pasadena)*	1,283	0	1,283		285		4		289
Azusa Pacific University (Azusa)*	1,694	1,042	2,736	No Degree Data					
Bay Valley Tech (Santa Clara)	No Enrollment Data			209					209
Bethany Bible College (Santa Cruz)*	442	102	544	8	74				82
Biola University (La Mirada)*	614		0	614	No Degree Data				
Brooks College (Long Beach)	779	0	779	312					312
Brooks Institute School of Photographic Art & Science (Santa Barbara)	614	0	614	0	117	1			117
California Baptist College (Riverside)*	543	116	659		115	10			125
California College for Health Sciences (National City)	No Data								
California College of Arts and Crafts (Oakland)*	748	352	1,100			153	21		174
California College of Podiatric Medicine (San Francisco)*	No Data								
California Family Study Center (North Hollywood)*	250	3	253			29			29
California Institute of Integral Studies (San Francisco)*	No Data								
California Institute of Technology (Pasadena)*	1,822	0	1,822		176	128		147	451
California Institute of the Arts (Valencia)*	831	4	835		120	89			209
California Lutheran University (Thousand Oaks)*	1,322	1,126	2,448		259	157			416
California School of Professional Psychology (Berkeley)*	337	102	439			33		43	76
California School of Professional Psychology (Fresno)*	183		22	205		30		19	49
California School of Professional Psychology (Los Angeles)*	309	133	442				13	60	104
California School of Professional Psychology (San Diego)*	No Enrollment Data					40		26	66
California Western School of Law (San Diego)	No Data								
Chapman College (Orange)*	1,541	612	2,153	No Degree Data					
Chapman College Antelope Valley Rec (Lancaster)	No Data								
Christ College Irvine (Irvine)*	519	50	569	No Degree Data					
Christian Heritage College (El Cajon)*		356	37	393		66			66
Church Divinity School of the Pacific (Berkeley)*	73	34	107				2	22	24
Claremont Graduate School and University Center (Claremont)*	331	1,292	1,623			321		88	409
Claremont McKenna College (Claremont)*	849	8	857		203				203
Cleveland Chiropractic College (Los Angeles)	500	9	509		60		122		182
Cogswell College (Cupertino)*	96	153	249	13	35				48
Coleman College (La Mesa)	No Enrollment Data			102	108	11			221

<u>Type of Institution</u>	Fall 1987 Enrollment			1986-87 Degrees Awarded					
	<u>Full Time</u>	<u>Part Time</u>	<u>Total</u>	<u>Associate</u>	<u>Bachelor</u>	<u>Master</u>	<u>First Professional</u>	<u>Doctorate</u>	<u>Total</u>
California Accredited Institutions (continued)									
College of Notre Dame (Belmont)*	474	587	1,061		135	107			242
College of Oceanering (Wilmington)*	No Data								
College of Osteopathic Medicine of the Pacific (Pomona)	412	0	412			4	100		104
Columbia College (Los Angeles)	220	25	245	15	45				60
Condie Junior College (Campbell)*	No Data								
DQ University (Davis)*	88	178	266	7					7
Deep Springs College (Deep Springs)*	No Data								
Denver Conservative Baptist Seminary (Alta Loma)	No Data								
Dominican College of San Rafael (San Rafael)*	449	265	714		115	12			127
Dominican School of Philosophy and Theology (Berkeley)*	64	36	100		4	10	17		31
Don Bosco Technical Institute (Rosemead)*	270	53	323	114					114
Edison Technical College (Northridge)	No Data								
Empire College (Santa Rosa)	Decline to Participate								
Fashion Institute of Design & Merchandising (4 Locations)*	No Enrollment Data			909					909
Fieldings Institute, The (Santa Barbara)*	No Data								
Franciscan School of Theology (Berkeley)*	54	42	96			16	6		22
Fresno Pacific College (Fresno)*	486	414	900		83	51			134
Fuller Theological Seminary (Menlo Park)	365	1,707	2,072			211	177	100	488
Fuller Theological Seminary (Pasadena)*	No Data								
Fuller Theological Seminary Westmont College (Santa Barbara)	No Data								
Glendale University College of Law (Glendale)	0	93	93				16		16
Golden Gate Baptist Theological Seminary (Mill Valley)*	Decline to Participate								
Golden Gate University (eight locations)	1,504	7,778	9,282	3	289	1,873	152	9	2,326
Golden Gate University Center (Monterey)	No Data								
Graduate Theological Union (Berkeley)*	352	25	377			26		21	47
Grantham College of Engineering (Los Alamitos)	Decline to Participate								
Harvey Mudd College (Claremont)*	548	8	556			124	14		138
Heald Business College (eight locations)*	Decline to Participate								
Heald Institute of Technology (five locations)*	Decline to Participate								
Heald 4 C's Business College (Fresno)*	Decline to Participate								
Hebrew Union College Jewish Institute of Religion (Los Angeles)*									
Holy Names College (Oakland)*	296	317	613		98	74			172
Humphrys College (Stockton)*	260	193	453	No Degree Data					
ITT Technical Institute (seven locations)	No Data								
Jesuit School of Theology at Berkeley (Berkeley)*	104	46	150			15	23	9	47
John F. Kennedy University (Orinda)*	598	1,409		26	319	28			373
Kelsy-Jenny Business College (San Diego)	No Data								
LIFE Bible College (Los Angeles)	245	155	400	7	70				74
Life Chiropractic College-West (San Lorenzo)	4415	30	445				115		115
Lincoln Law School of Sacramento (Sacramento)	No Data								
Loma Linda University (two locations)*	3,110	1,077	4,187	149	461	241	212	18	1,081
Los Angeles College of Chiropractic (Whittier)	993	0	993		74		186		260
Louise Salinger Academy of Fashion (San Francisco)	No Data								
Loyola Law School (Los Angeles)	No Data								
Loyola Marymount University (Los Angeles)*	5,184	1,246	6,430		794	238	381		1,413

Type of Institution	Fall 1987 Enrollment			1986-87 Degrees Awarded					
	Full Time	Part Time	Total	Associate	Bachelor	Master	First Professional	Doctorate	Total
California Accredited Institutions (continued)									
Manor Fashion Institute (Sacramento)	19	0	19	1					1
Marymount Palos Verdes College (Rancho Palos Verdes)*	795	275	1,070	180					180
Master's College (Newhall)*	672	103	775		52				52
McGeorge Law School (Sacramento)	Reports with University of the Pacific								
Menlo College (Atherton)*	623	12	635	9	65				74
Mennonite Brethren Biblical Seminary (Fresno)	85	37	122			6	9		15
Mills College (Oakland)*	956	99	1,055		188	57			245
Monterey College of Law (Monterey)	No Enrollment Data						29		29
Monterey Institute of International Studies (Monterey)*	454	83	537		34	183			217
Mount St. Marys College (Los Angeles)*	967	325	1,292	110	152	26			288
National College (Clovis)	No Data								
National Technical School (Los Angeles)	No Data								
National University (eight locations)*	6,122	7,171	13,293	410	1,518	1,221	42		3,191
Nazarene Bible College (Pasadena)	No Data								
Nazarene Bible College/Instituto Teologico Naza (Los Angeles)	No Data								
New College of California (San Francisco)*	No Data								
New College of California School of Law (San Francisco)	No Data								
Northrop University (Los Angeles)*	660	351	1,011	22	258	196			476
Northrop University LA County Education Facility (Downey)	No Data								
Occidental College (Los Angeles)*	1,660	28	1,688		375	11			386
Otis Art Institute of Parsons School of Design (Los Angeles)*	704	77	781	2	104	6			112
Pacific Christian College (four locations)*	No Data								
Pacific Coast College (San Diego)	No Data								
Pacific Graduate School of Psychology (Menlo Park)*	55	206	261			8		20	28
Pacific Lutheran Theological Seminary (Berkeley)	84	46	130			4	28	3	35
Pacific Oaks College (Pasadena)*	No Data								
Pacific School of Religion (Berkeley)*	105	101	206			17	44	10	71
Pacific Union College (Angwin)*	1,300	192	1,492	No Degree Data					
Palmer College of Chiropractic-West (Sunnyvale)	No Data								
Patten College (Oakland)*	55	129	184		10				10
Pepperdine University (Malibu)*	4,668	2,299	6,967		802	876	1,278	27	1,883
Pitzer College (Claremont)*	762	41	803		168				168
Point Loma Nazarene College (San Diego)*	1,794	283	2,077		249	75			324
Pomona College (Claremont)*	1,407	0	1,407		333				333
Queen of the Holy Rosary College (Mission San Jose)*	1	206	207	3					3
Rand Graduate School of Policy Studies (Santa Monica)*	51	0	51					53	53
St. Johns Seminary (Camarillo)*	No Data								
St. Johns Seminary College (Camarillo)*	77	0	77		20				20
St. Josephs College (Los Altos)*	70	0	70	1	9				10
St. Marys College of California (Moraga)*	2,701	464	3,165		70	700	235		1,005
St. Patricks Seminar (Menlo Park)*	89	3	92				15		15
Samuel Merritt College of Nursing (Oakland)*	157	32	189	68	72				140
San Francisco Art Institute (San Francisco)*	542	160	702		75	42			117
San Francisco College of Mortuary Science (San Francisco)*	No Data								
San Francisco Conservatory of Music (San Francisco)*	183	34	217		21	29			50
San Francisco Law School (San Francisco)	No Enrollment Data						35		35
San Francisco Theological Seminary (San Francisco)*	178	613	791			7	60	83	150
San Joaquin College of Law (Fresno)	No Enrollment Data						30		30
San Jose Bible College (San Jose)	116	74	190	3	24				31
Santa Barbara College of Law (Santa Barbara)	Decline to Participate								
Santa Clara University (Santa Clara)*	4,665	2,887		829	659	272	1		1,788a

<u>Type of Institution</u>	Fall 1987 Enrollment			1986-87 Degrees Awarded					
	Full Time	Part Time	Total	Associate	Bachelor	Master	First Professional	Doctorate	Total
California Accredited Institutions (continued)									
Saybrook Institute (San Francisco)*	181	0	181		3		11		14
School of Theology at Claremont (Claremont)*	128	80	208			14	27	16	57
Scripps College (Claremont)*	571	17	588		130				130
Simpson College (two locations)*	165	33	198		31	8			39
Southern California Center of Golden Gate Seminary (Garden Grove)*	No Data								
Southern California College (Costa Mesa)*	7746	175	921		162	7			169
Southern California College of Optometry (Fullerton)*	379	0	379	2	71		97		170
Southern California Institute of Architecture (Santa Monica)	No Data								
Southwestern University School of Law (Los Angeles)	628	350	978				242		242
Stanford University (Palo Alto)*	11,892	2,240	14,132		1,628	1,852	246	562	4,288
Starr King School for the Ministry (Berkeley)	43	0	43				18		18
Studio Seven Fashion Career College (Covina)	No Data								
Thomas Aquinas College (Santa Paula)*	137	0	137		28				28
United States International University (six locations)*	1,678	901	2,579		367	648		115	1,130
University of Judaism (Los Angeles)*	93	78	171		16	13			29
University of La Verne (nine locations)*	2,476	3,052	5,528	No Degree Data					
University of Redlands (four locations)*	2,884	54	2,938		874	217			1,091
University of San Diego and Law School (San Diego)*	4,462	1,198	5,660		709	292	263	17	1,281
University of San Francisco (San Francisco)*	3,758	1,049	4,807		1,298	601		47	1,946
University of Southern California (24 locations)*	19,944	10,560	30,504		2,744	2,955	657	354	6,740
University of the Pacific (Stockton)*	4,581	1,045	5,626		648	126	561		15
University of West Los Angeles School of Law (Los Angeles)*	152	541		10		67			77
Ventura College of Law (Ventura)	No Data								
Video Technical Institute (Long Beach)	No Data								
West Coast Christian College (Fresno)*	No Enrollment Data			24	16				40
West Coast University, Los Angeles (Los Angeles)*	828	210	582	2	77	198			277
West Coast University, Orange County (Orange County)*	363	91	454	No Degree Data					
West Coast University Cabrillo High School (Lompoc)*	No Data								
West Coast University Computer Sciences Corporation (San Diego)*	No Data								
Western State University College of Law (Fullerton)*	255	803	1,058		51		296		347
Western State University College of Law (San Diego)*	72	272	344		16		102		118
Westminster Theological Seminary in California (Escondido)*	No Data								
Westmont College (Santa Barbara)*	1,278	13	1,291		197				197
Whittier College (Whittier)*	1,247	324	1,571		169		110		279
Woodbury University (Burbank)*	606	182	788		110	37			147
World College West (Petaluma)*	100	7	107		14				14
Wright Institute, The (Berkeley)*	135	30	165			15		21	36
Yeshiva OHR Elchonon Chabad, West Coast Talmudic (Los Angeles)	No Data								
Out-of-State Accredited Institutions									
Antioch University, San Francisco (San Francisco)	190	103	293		71	55			126
Antioch University, Los Angeles (Los Angeles)	No Data								
Antioch University, Santa Barbara (Santa Barbara)	No Data								
Bain Institute of Technology (Oceanside)	Decline to Participate								
Bethel Theological Seminary (St. Paul Minnesota)	No Data								
Brigham Young University, California Center (Whittier)	No Data								
City University (Santa Clara)	1,305	1,783	3,088	90	264	373			727
City University (Los Angeles)	546	0	546		21	46	7	13	87
College for Human Services (Oakland)	No Data								
College of St. Thomas (St. Paul, Minnesota)	No Data								

Type of Institution	Fall 1987 Enrollment			1986-87 Degrees Awarded						
	Full Time	Part Time	Total	Asso ciate	Bache lor	Master	First Profes sional	Doc torate	Total	
Out-of-State Accredited Institutions (continued)										
Columbia Bible College (Columbia, South Carolina)	No Data									
Columbia College-Missouri (San Francisco)	33	54	87	29	9					38
Devry Institute of Technology (City of Industry)	2,070	243	2,313	105	264					364
Embry-Riddle Aeronautical University (eight locations)	No Data									
Norwich University (San Jose)	No Data									
Nova University (Los Angeles)	No Data									
Southern Illinois University at Carbondale (three locations)	No Data									
Union for Experimenting Colleges and Universities, The (Los Angeles)	64	0	64		7					7
University of Bridgeport (Los Angeles)	3,133	1,212	5,345	121	448	281	206	6		1,062
University of Phoenix (Costa Mesa)	No Data									
Webster University (three locations)	No Data									
State-Approved Institutions										
Academy of Art College (San Francisco)	1230	817	2,047		140	4				144
American Armenian International College (La Verne)	86	147	233		28					28
American College of Traditional Chinese Medicine (San Francisco)	No Data									
Anaheim Christian College (Anaheim)	26	0	26							0
California American University (Escondido)		29	29			1				1
California Christian College (Fresno)	20	22	42	7	2					9
California Christian Institute (Orange County)	No Data									
California Coast University (Santa Ana)	1052	0	1052							243
California Graduate Institute (West Los Angeles)	272	215	487			16		38		54
California Graduate School of Marital & Family Therapy (San Rafael)	36	75	11	No Degree Data						
California Institute for Clinical Social Work (Berkeley)	30	0	30					4		4
California Missionary Baptist Institute and Seminary (Bellflower)	18	2	20	1	3	2		1		7
California Pacific University (San Diego)	No Data									
California Theological Seminary (Fresno)	6	17	23			6	3			9
Cambridge Graduate School of Psychology, The (Los Angeles)	51	44	95					4		4
Center for Psychological Studies (Albany)	4	31	35					1		1
Center Graduate College (Saratoga)	18	0	18	No Degree Data						
Charles R. Drew Postgraduate Medical School (Los Angeles)	185	4	189					30		30
Columbia College (Los Angeles)	No Data									
Columbia Pacific University (San Rafael)	No Data									
European University of America (San Francisco)	55	2	57			49				49
Glendale University College of Law (Glendale)	No Data									
Graduate Center for Child Development & Psychotherapy (Los Angeles)	36	0	36					3		3
Human Relations Center, Inc. (Santa Barbara)	130	5	135			26				26
Immaculate Heart College Center (Los Angeles)		88	88	No Degree Data						
Institute for Advanced Study of Human Sexuality (San Francisco)	41	35	76			1		9		10
Institute for Creation Research (Santee)	0	6	6			1				1
Institute of Transpersonal Psychology(Menlo Park)	109	53	162			19		5		24
International School of Theology (San Bernadino)	43	36	79			28	22			50
La Jolla University (San Diego)	No Data									
Lincoln University the Law School (two locations)	304		304		22	21	20	12		75
Linda Vista Baptist Bible College and Seminary (El Cajon)	49	5	53		7	6	2	4		19
Music and Arts Institute (San Francisco)	Decline to Participate									
National Hispanic University, The (Oakland)	78	38	116	3	4	7				14
New College for Advanced Christian Studies (Berkeley)	10	100	110			15				15
New School of Architecture, The (San Diego)	79	15	94	No Degree Data						
Newport University (Newport Beach)		234	234		44	56	5	129		234

<u>Type of Institution</u>	Fall 1987 Enrollment			1986-87 Degrees Awarded					
	<u>Full Time</u>	<u>Part Time</u>	<u>Total</u>	<u>Associate</u>	<u>Bachelor</u>	<u>Master</u>	<u>First Professional</u>	<u>Doctorate</u>	<u>Total</u>
State-Approved Institutions (continued)									
Pacific Coast Baptist Bible College (San Dimas)	190	18	208		34				34
Pacific Coast University (Long Beach)		83					13		13
Pacific States University (Los Angeles)	No Data								
Pasadena College of Chiropractic (Pico Rivera)	137	0	137		21		56		77
Peninsula University College of Law (Mountain View)	0	121	121		19		9		28
Professional School of Psychological Studies, The (San Diego)	No Data								
Professional School of Psychology, The (San Francisco)	240	9	249		10	5	4	19	
Rosebridge Graduate School of Integrative Psychology (Walnut Creek)	52	3	55					4	4
Ryokan College (Los Angeles)	54	0	54		8	22		2	32
Salvation Army School of Officer Training (Rancho P. Verdes)	70	0	70	27					27
Sierra University A University Without Walls (Costa Mesa)	200	0	200		10	85		51	146
Simon Greenleaf School of Law, The (Anaheim)	53	63	116		4	14	7		25
Southern California Psychoanalytic Institute (Beverly Hills)		78	78					1	1
University Associates Graduate School of Human Resource Development (San Diego)	0	143	143			13			13
University for Humanistic Studies, The (Del Mar)	No Data								
University of Santa Barbara (Santa Barbara)	0	0						12	12
University of Santa Monica (Santa Monica)	318	0	318			31			31
Walden University, Inc. (West Covina)	180	0	180					59	59
Western Graduate School of Psychology (Palo Alto)	9	10	19					1	1
Western Institute for Social Research (Berkeley)	25	0	25		2				2
Western Sierra Law School (San Diego)	No Data								
William Carey International University (Pasadena)	28	81	109			17			17
William Lyon University (San Diego)	58	0	58		11	33		95	139
World University of America (Ojai)	55	0	55	No Degree Data					
Yeshiva University of Los Angeles (Los Angeles)	25	20	45		3				3
State-Authorized Colleges and Universities									
ABC Colleges (Fresno)	No Data								
American College for the Applied Arts (Los Angeles)	391	31	424	11	59				70
American College of Law (Brea)	0	84	84		4		13		17
American Institute of Hypnotherapy (Santa Ana)	Decline to Participate								
American National University (La Palma)	0	0	0		0				0
Asian American University (San Diego)	No Data								
August Vollmer University (Santa Ana)	No Data								
Bethseda School of Theology (Whittier)	47	7	54		6				6
CAL Northern School of Law (Chico)	32	0	32				7		7
California International University (Los Angeles)	100	6	106		2	15			17
California Pacific School of Law (Bakersfield)	0	13	13	No Degree Data					
Central California College School of Law (Fresno)	No Data								
Century University (Los Angeles)	No Data								
Charles E. Dederich School of Law (Badger)	0	1	1	No Degree Data					
Christian Witness Theological Seminary (Berkeley)	No Data								
Citrus Belt Law School (Riverside)	Decline to Participate								
Control Data Institute (Anaheim)	11	11	22	31					31
Criss College (Anaheim)	86	64	150	No Degree Data					
Design Institute of San Diego (San Diego)	170	57	227		5				5
Dharma Realm Buddhist University (Talmage)	1	10	11	No Degree Data					

Type of Institution	Fall 1987 Enrollment			1986-87 Degrees Awarded					
	Full Time	Part Time	Total	Associate	Bachelor	Master	First Professional	Doctorate	Total
State-Authorized Colleges and Universities (continued)									
Emperor's College of Traditional Oriental Medicine (Santa Monica)	No Data								
Eubanks Conservatory of Music and Arts (Los Angeles)	4	17	21		17	4			21
Eurotechnical Research University (Mountain View)	5	0	5					5	5
Foundation College (San Diego)	No Data								
Golden State University (Los Angeles)	No Data								
Great Western University (San Francisco)	17	11	28		1				1
Institute of Buddhist Studies (Berkeley)	6	0	6			1			1
Interior Designers Institute (Corona Del Mar)	No Data								
International Bible College (Los Angeles)	33	0	33		24		1		25
International University of Nutritional Education (Huntington Beach)	No Data								
Kennedy-Western University (Aggoura Hills)	25	13	38		10	3	1		14
Kensington University (Glendale)			1061		81	69	5	59	214
Los Angeles College of Chiropractic (Whittier)	No Data								
Marin Bible College (Novato)	No Data								
More University (Lafayette)	Decline to Participate								
National Education Center Skadron College of Business Campus (San Bernardino)	575	0	575	106					106
North American College (Irvine)	0	45	45				4		4
Northern California Bible College (San Jose)	0	105	105	1	5				6
Northwestern California University (Sacramento)	No Data								
Northwestern Polytechnic University (Fremont)	170	60	230		46	25			71
Pacific National University (Los Angeles)	0	0	0					3	3
Pacific Southern University (Beverly Hills)	0	174	174		122	39		13	174
Pacific Western University (Los Angeles)	0	114	114		303	54		121	478
People's College of Law (Los Angeles)	18	0	18				8		8
Rudolph Steiner College (Fair Oaks)	63	46	109		1				1
Samra University of Oriental Medicine (Los Angeles)	No Data								
San Joaquin College of Law (Fresno)	No Data								
South Baylo University (Garden Grove)	230	0	230		1	34	45	1	81
Southern California College of Law (Brea)	22	0	22	No Degree Data					
Southern California Conservatory of Music (Sun Valley)	0	104	104	No Degree Data					
Southern California University for Professional Studies (Anaheim)	No Data								
Southern States University (Huntington Beach)	No Data								
United College of Business (Downey)	300	200	500	No Degree Data					
United College of Business (Hollywood)	250	200	450	6					6
University of Northern California Lorenzo Patino School of Law (Sacramento)	0	70	70				31		31
Weimar College (Weimar)	No Data								
William Howard Taft University (Fountain Valley)	No Data								
Yuin University (Compton)	110	177	287	6	12	5		2	25

<u>Type of Institution</u>	Fall 1987 Enrollment			1986-87 Degrees Awarded					
	<u>Full Time</u>	<u>Part Time</u>	<u>Total</u>	<u>Asso</u> <u>ciate</u>	<u>Bach</u> <u>lor</u>	<u>Master</u>	<u>First</u> <u>Profes</u> <u>sional</u>	<u>Doc</u> <u>torate</u>	<u>Total</u>
State-Authorized Schools of Theology									
Ambassador College (Pasadena)	604	19	623	101	173				274
Bay Cities Bible Institute (Oakland)	41	55	96	3	5	3			11
California Graduate School of Theology (Glendale)	No Data								
Chinese for Christ Theological Seminary (Rosemead)	No Data								
Ernest Holmes College/School of Ministry (Los Angeles)	42	28	70	16					0
Fellowship Bible Institute (San Francisco)	0	16	16	1					1
Marin Bible College (Novato)	9	50	59	4	5				9
Reformed Presbyterian Seminary (Los Angeles)	25	5	30			10			10
Shasta Bible College (Redding)	20	34	54	3	3				6
Southern California Bible College (San Diego)	5	31	36	No Degree Data					
Southern California Community Bible College (Norwalk)	21	116	137	7	4				11
Stockton Christian Life College (Stockton)	No Data								
The School for Deacons (Castro Valley)	52	4	56		12				12
Institutions Offering Religiously Exempt Programs									
Agape Bible College (Los Angeles)	5	11	16		7				7
Ahsal Baptist Institute (Salinas)	16	0	16	No Degree Data					
Alliance College and Seminary (Norwalk)	69	28	97	No Degree Data					
Anderson Theological School (San Diego)	No Data								
Auburn Bible College (Auburn)	0	0	0	No Degree Data					
Barachah Baptist Seminary (Vallejo)	No Data								
Berean Bible College (San Diego)	No Data								
Berean Graduate of Theology and Bible Institute (Visalia)	0	25	25	No Degree Data					
Bethel Christian College (Riverside)	17	28	45	1	2	12	2		17
Bishop's House (Los Angeles)	1	0	1	No Degree Data					
California Institute for Transformation (Grand Terrace)	No Data								
Capital Bible Institute (Sacramento)		51	110	161	14	5			19
Cathedral Bible College (Escondido)	21	69	90	6	1				7
Charles Harrison Mason Bible College (Oakland)	No Data								
Christian Life School of the Bible and Bible Institute (Riverside)	No Data								
Christian Zion Bible College (Pasadena)	No Data								
Citadel Baptist Theological Seminary (Sacramento)	12	8	20	No Degree Data					
Cline Clark Clinic (Los Angeles)	No Data								
College of Buddhist Studies (Los Angeles)	3	53	56	No Degree Data					
Commonwealth College (Los Angeles)	0	52	52					1	1
Concord Christian College (Concord)	No Data								
Cornel Bible College and Seminary (Los Angeles)	No Data								
Crenshaw Christian Center School of Ministry (Los Angeles)	138	0	138	74					74
E C Reems Bible Institute (Oakland)	No Data								
Ecumenical Catholic Diocese of California (Yorba Linda)	0	1	1					1	1
Evangelical Theology Seminary of Oversea (Gardena)	No Data								
GYE University (Orland)	1	18	19	No Degree Data					
Golden State School of Theology (Oakland)	25	70	90	2	4	6		10	22
Grace Schools of Long Beach (Long Beach)	4	72	76		2				2
Hemet Christian College (San Diego)	No Data								
Holy Mountain University (Groveland)	2	0	2	No Degree Data					

<u>Type of Institution</u>	Fall 1987 Enrollment			1986-87 Degrees Awarded					
	<u>Full Time</u>	<u>Part Time</u>	<u>Total</u>	<u>Associate</u>	<u>Bachelor</u>	<u>Master</u>	<u>First Professional</u>	<u>Doctorate</u>	<u>Total</u>
Institutions Offering Religiously Exempt Programs (continued)									
Immanuel Mission Bible College and Seminary (Garden Grove)	No Data								
Inheritance Bible College (Riverside)	11	19	30		5	4	1	1	11
International Institute of Pneumiatrics (Lakeside)	No Data								
International Theological Seminary of Van Nuys (Van Nuys)	67	0	67			33	19	15	67
J P Steadman Bible Institute (Sacramento)	0	12	12		No Degree Data				
Leonard Fox Bible College (Phelan)	3	16	19		No Degree Data				
Living Word Bible College (Pasadena)	No Data								
Los Angeles Christian University (Los Angeles)	No Data								
Metaphysical Theological Seminary (Long Beach)	No Data								
National Association for Ministers Evaluation (Los Alamitos)	No Data								
Northstate Baptist Institute of the Bible (Sacramento)	No Data								
Pacific Theological Seminary (Los Angeles)	No Data								
Puente Hills Baptist College of Religion (Hacienda Heights)	No Data								
Revival Christian University (Cypress)	No Data								
Sacramento Bible Institute (Carmichael)	No Data								
San Diego Bible Institute and Theological Seminary (Spring Valley)	No Data								
Shiloh Bible College (Oakland)	23	161	184		8	15			23
Sonlite Bible College and Theological Seminary (Downey)	0	0	0		No Degree Data				
Southern Baptist Bible College and Seminary (Irving)	No Data								
Southern California Theological Seminary (Stanton)	No Data								
Southern California Graduate School of Theology (Fresno)	0	0	0		No Degree Data				
Southern California Schol of Ministry (Los Angeles)	No Data								
Southwest College of Ministry (El Cajon)	No Data								
Spiritual Transformation Center Training Institute (Ventura)	0	0	0		No Degree Data				
St. James College (Pacifica)	0	39	94		No Degree Data				
St. Joseph of Armuthea Anglican Theological Seminary (Berkeley)	3	3	6		No Degree Data				
The College of Divine Metaphysics, Inc (Glendora)	0	44	44					7	7
The World Union Church, California Institute for Humanistic Endeavor (Oceano)	No Data								
University of the Trees (Boulder Creek)	0	0	0		No Degree Data				
Youth Evangelism Bible College and Training Center (San Diego)	No Data								

Note Based on data received by the Commission through April 1, 1989, the following display shows for the several major types of privately supported institutions in California the average number of students each of them enrolled in Fall 1987 and the average number of degrees each of them awarded during 1986-87

<u>Type of Institution</u>	Fall 1987 Enrollment			1986-87 Degrees Awarded					
	<u>Full-Time</u>	<u>Part-Time</u>	<u>Total</u>	<u>Associate</u>	<u>Bachelor</u>	<u>Master</u>	<u>First Professional</u>	<u>Doctorate</u>	<u>Total</u>
Accredited Independent Institutions (119)	1,143	512	1,655	38	157	126	51	16	388
Out-of State Accredited Institutions (7)	1,047	485	1,532	49	145	108	30	2	335
State Approved Institutions (50)	113	53	166	1	7	10	3	10	30
State Authorized Colleges and Universities (34)	77 5	48	125	5	20	7	3	6	42
State Approved Schools Theology (10)	82	36	118	13 5	19	1 3	0	0	34
Religiously Exempt Institutions (30)	14	26	40	9	3	1	0	1	14

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Note Statements in the report that are not cited below were made to Commission staff during the course of the study, many of them at a meeting of the technical advisory committee for the project on July 26, 1988

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CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

THE California Postsecondary Education Commission is a citizen board established in 1974 by the Legislature and Governor to coordinate the efforts of California's colleges and universities and to provide independent, non-partisan policy analysis and recommendations to the Governor and Legislature

Members of the Commission

The Commission consists of 15 members. Nine represent the general public, with three each appointed for six-year terms by the Governor, the Senate Rules Committee, and the Speaker of the Assembly. The other six represent the major segments of postsecondary education in California.

As of February 1990, the Commissioners representing the general public are

Mim Andelson, Los Angeles,
C. Thomas Dean, Long Beach,
Henry Der, San Francisco,
Seymour M. Farber, M.D., San Francisco,
Helen Z. Hansen, Long Beach,
Lowell J. Paige, El Macero, *Vice Chair*,
Cruz Reynoso, Los Angeles, *Chair*,
Sharon N. Skog, Palo Alto, and
Stephen P. Teale, M.D., Modesto

Representatives of the segments are

Yori Wada, San Francisco, appointed by the Regents of the University of California,

Theodore J. Saenger, San Francisco, appointed by the Trustees of the California State University,

John F. Parkhurst, Folsom, appointed by the Board of Governors of the California Community Colleges,

Harry Wugalter, Thousand Oaks, appointed by the Council for Private Postsecondary Educational Institutions,

Joseph D. Carrabino, Orange, appointed by the California State Board of Education, and

James B. Jamieson, San Luis Obispo, appointed by the Governor from nominees proposed by California's independent colleges and universities

Functions of the Commission

The Commission is charged by the Legislature and Governor to "assure the effective utilization of public postsecondary education resources, thereby eliminating waste and unnecessary duplication, and to promote diversity, innovation, and responsiveness to student and societal needs."

To this end, the Commission conducts independent reviews of matters affecting the 2,600 institutions of postsecondary education in California, including community colleges, four-year colleges, universities, and professional and occupational schools.

As an advisory planning and coordinating body, the Commission does not administer or govern any institutions, nor does it approve, authorize, or accredit any of them. Instead, it cooperates with other State agencies and non-governmental groups that perform these functions, while operating as an independent board with its own staff and its own specific duties of evaluation, coordination, and planning.

Operation of the Commission

The Commission holds regular meetings throughout the year at which it debates and takes action on staff studies and takes positions on proposed legislation affecting education beyond the high school in California. By law, its meetings are open to the public. Requests to speak at a meeting may be made by writing the Commission in advance or by submitting a request before the start of the meeting.

The Commission's day-to-day work is carried out by its staff in Sacramento, under the guidance of its executive director, Kenneth B. O'Brien, who is appointed by the Commission.

The Commission publishes and distributes without charge some 30 to 40 reports each year on major issues confronting California postsecondary education. Recent reports are listed on the back cover.

Further information about the Commission, its meetings, its staff, and its publications may be obtained from the Commission offices at 1020 Twelfth Street, Third Floor, Sacramento, CA 95814-3985, telephone (916) 445-7933.

PROTECTING THE INTEGRITY OF CALIFORNIA DEGREES

California Postsecondary Education Commission Report 89-17

ONE of a series of reports published by the Commission as part of its planning and coordinating responsibilities. Additional copies may be obtained without charge from the Publications Office, California Postsecondary Education Commission, Third Floor, 1020 Twelfth Street, Sacramento, California 95814-3985

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89-1 Legislative Priorities for the Commission, 1989 A Report of the California Postsecondary Education Commission (January 1989)

89-2 The Twentieth Campus An Analysis of the California State University's Proposal to Establish a Full-Service Campus in the City of San Marcos in Northern San Diego County (January 1989)

89-3 Toward Educational Equity Progress in Implementing the Goals of Assembly Concurrent Resolution 83 of 1984 A Report to the Legislature in Response to Assembly Bill 101 (Chapter 574, Statutes of 1987) (January 1989)

89-4 The Effectiveness of the Mathematics, Engineering, Science Achievement (MESA) Program's Administrative and Policy-Making Processes A Report to the Legislature in Response to Assembly Bill 610 (1985) (January 1989)

89-5 Comments on the Community Colleges' Study of Students with Learning Disabilities A Report to the Legislature in Response to Supplemental Report Language to the 1988 State Budget Act (January 1989)

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89-17 Protecting the Integrity of California Degrees The Role of California's Private Postsecondary Education Act of 1977 in Educational Quality Control (April 1989)

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